# NOTE

This Microfiche meets the quality requirements of the American National Standard for Microfiche of Documents (ANSI PH5.9-1975). However, because of imperfections in the document from which it was made, it contains images that are illegible or difficult to read. The source document for this microfiche is the best copy that could be obtained prior to filming.

CIS
Congressional Information Service
Washington, D.C.

S. Hrg. 101-30, Pt. 2

# TONGASS NATIONAL FOREST

## HEARINGS

BEFORE THE

SUBCOMMITTEE ON
PUBLIC LANDS, NATIONAL PARKS AND FORESTS

OF THE

COMMITTEE ON
ENERGY AND NATURAL RESOURCES
UNITED STATES SENATE

ONE HUNDRED FIRST CONGRESS

FIRST SESSION

ON

## S. 237

TO REFORM THE TONGASS TIMBER SUPPLY FUND

## S. 346

TO AMEND THE ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT AND FOR OTHER PURPOSES

KETCHIKAN, AK, APRIL 24, 1989
SITKA, AK, APRIL 25, 1989

PART 2

Printed for the use of the
Committee on Energy and Natural Resources

U.S. GOVERNMENT PRINTING OFFICE
22-148 WASHINGTON : 1989

S311-73

For sale by the Superintendent of Documents, Congressional Sales Office
U.S. Government Printing Office, Washington, DC 20402

## COMMITTEE ON ENERGY AND NATURAL RESOURCES

J. BENNETT JOHNSTON, Louisiana, *Chairman*

DALE BUMPERS, Arkansas
WENDELL H. FORD, Kentucky
HOWARD M. METZENBAUM, Ohio
BILL BRADLEY, New Jersey
JEFF BINGAMAN, New Mexico
TIMOTHY E. WIRTH, Colorado
KENT CONRAD, North Dakota
HOWELL T. HEFLIN, Alabama
JOHN D. ROCKEFELLER IV, West Virginia

JAMES A. McCLURE, Idaho
MARK O. HATFIELD, Oregon
PETE V. DOMENICI, New Mexico
MALCOLM WALLOP, Wyoming
FRANK H. MURKOWSKI, Alaska
DON NICKLES, Oklahoma
CONRAD BURNS, Montana
JAKE GARN, Utah
MITCH McCONNELL, Kentucky

DARYL OWEN, *Staff Director*
D. MICHAEL HARVEY, *Chief Counsel*
FRANK M. CUSHING, *Staff Director for the Minority*
GARY G. ELLSWORTH, *Chief Counsel for the Minority*

---

### SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS

DALE BUMPERS, Arkansas, *Chairman*
TIMOTHY E. WIRTH, Colorado, *Vice Chairman*

BILL BRADLEY, New Jersey
JEFF BINGAMAN, New Mexico
KENT CONRAD, North Dakota
JOHN D. ROCKEFELLER IV, West Virginia

MALCOLM WALLOP, Wyoming
MARK O. HATFIELD, Oregon
CONRAD BURNS, Montana
JAKE GARN, Utah
PETE V. DOMENICI, New Mexico

J. BENNETT JOHNSTON and JAMES A. McCLURE are Ex Officio Members of the Subcommittee

THOMAS B. WILLIAMS, *Senior Professional Staff Member*
ELIZABETH J. NORCROSS, *Professional Staff Member*
J. DAVID BROOKS, *Counsel*

# CONTENTS

Hearings: Page

April 24, 1989 ..... 1

April 25, 1989 ..... 331

MONDAY, APRIL 24, 1989

STATEMENTS

Amend, Donald F., general manager, Southern Southeast Regional Aquaculture Association ..... 102

Andrew, Kay, representing United Southeast Alaska Gillnetters Association ..... 114

Apostolis, Perry ..... 321

Arriola, Rodger ..... 265

Atkinson, Harris L., mayor, Metlakatla Indian Community ..... 96

Bacon, Jim, United Fishermen of Alaska ..... 106

Bartholomew, Leslie J., president of Greater Ketchikan Chamber of Commerce ..... 72

Begalka, Walter J., member, Alaska Society of American Foresters ..... 249

Blubaum, John E ..... 261

Bonnet, Michelle ..... 291

Botelho, Bruce, mayor of the city and borough of Juneau ..... 7

Boyer, Laurin ..... 280

Brakel, Judy ..... 309

Bray, David ..... 269

Bruce, Jim ..... 253

Bryon, James ..... 315

Bukoskey. John, Northwest International Representative, International Longshoremen's & Warehousemen's Union ..... 182

Burns, Hon. Conrad, U.S. Senator from Montana ..... 5

Burrell, Richard ..... 318

Canterbury, Jackie, representing the Tongass Conservation Society ..... 203

Clarke, Marlene ..... 80

Clifton, John M., chairman, Ketchikan Overall Economic Development Committee ..... 276

Coady, Sally, Alaska Women in Timber ..... 180

Connelly, Steve ..... 269

Cook, Earl ..... 246

Dahlgren, Doug ..... 290

Davis, Cheri L., Alaska State House of Representatives ..... 48

Dirksen, Paul ..... 275

Durette, Robert, owner and president, Durette Construction Co ..... 174

Elliot, Bob ..... 274

Ferry, Ted, mayor, city of Ketchikan ..... 34

Finney, Brad ..... 270

Funk, Kent ..... 253

Garrison, Peggy ..... 248

Geraghty, Sylvia, representing Alaskans for Responsible Resource Management ..... 199

Gildersleeve, Keatun ..... 180

Gile, Virgil ..... 280

Green, Pauline ..... 316

Gregory, Ralph C., mayor, Ketchikan Gateway Borough ..... 33

Hannan, Sara ..... 299

Harbour, Don ..... 319

Harbour, Sean C ..... 327

Page
Head, Greg ..... 326
Howatt, Nellie ..... 284
Hummel, Eric ..... 274
Johnson, Edwin ..... 288
Jones, Lloyd, Alaska State Senator ..... 53
Kallick, Steven E ..... 303
Kautzer, Joan, representing Alaska Women in Trees ..... 230
Kirchhoff, Matthew D., Alaska Chapter, the Wildlife Society ..... 215
LeCornu, Adrian, mayor, city of Hydaburg ..... 44
Leighty, Bill, Gold Creek Salmon Bake Summertime Outdoor Restaurant ..... 128
Lindgren, Dan ..... 322
Littleton, Ronald ..... 286
MacKinnon, Neil, chairman, Juneau Branch, Alaska Miners Association ..... 118
MacMillan, J. Carol ..... 318
Martin, Angelo ..... 326
Mehrkens, Joseph R., Southeast Alaska Natural Resources Center ..... 208
Monk, Alan ..... 322
Moore, Kevin ..... 288
Murkowski, Hon. Frank H., U.S. Senator from Alaska ..... 3
Murphy, Tom ..... 281
Neimeyer, Fern, mayor of Wrangell ..... 63
O'Dowd, Thomas L ..... 283
Paulson, Jan ..... 321
Pihl, Martin R., president and gneral manager, Ketchikan Pulp Co ..... 133
Pihlman, Dale, fisheries biologist, Alaska Department of Fish and Game ..... 131
Prefontaine, Ed ..... 257
Radergraham, Corrine ..... 284
Ransdell, Richard ..... 323
Riffe, Greg ..... 246
Roberts, Ray, representing Ed Thomas, tribal president of the Central Council of Tlingithaida Indian Tribes ..... 85
Ross, Jan, representing Alaska Cruise Lectures ..... 130
Ryno, Marcia ..... 287
Sebastian, Joseph, representing the Point Baker Community Association ..... 56
Shaub, Thyes, Government affairs director, Alaska Loggers Association ..... 165
Shewey, Renee ..... 297
Shull, Steve ..... 290
Sloss, Jeff, Alaska Discovery, Inc ..... 291
Soderberg, Virgil ..... 320
Soule, Robert ..... 288
Steveler, Greg, the Gustavus Community Association ..... 67
Stone, Roger A ..... 74
Swartz, Stan ..... 285
Taro, Cliff, president, Southeast Stevedoring Corp ..... 73
Taylor, Robin, Alaska State House of Representatives ..... 45
Troll, Kay, executive director, Southeast Alaska Seiners Association ..... 115
Watkins, Fred ..... 246
Watt, Nancy ..... 259
Weihing, Wayne, employee at the LP/KPC Pulp Mill ..... 236
Williams, Lew M., Jr., publisher, Ketchikan Daily News ..... 81
Williams, William K., president, Cape Fox Corp ..... 90
Winter, Tom ..... 317
Wirth, Hon. Timothy E., U.S. Senator from Colorado ..... 1
Woodie, David ..... 298
Zimmerman, Abe ..... 247
Zink, Dan ..... 289

TUESDAY, APRIL 25, 1989

STATEMENTS

Alsup, William ..... 622
Baade, Dixie ..... 542
Bean, Richard Jr. ..... 591
Beck, Larry, general manager, Chilkoot Lumber Co. ..... 528
Beltran, Michelle ..... 622
Bernard, Mildred ..... 611
Bickar, Patricia ..... 631

Page
Billings, Leo 635
Bremner, Don, chairman, Yakutat Alaska Native Brotherhood Camp 13 443
Brenner, Steve 597
Brown, Bernice, Alaska Women in Timber 519
Burns, Hon. Conrad, U.S. Senator, from Montana 336
Burns, Ted 636
Calvin, Margaret 559
Carlson, Charles, director, Sealaska Corp. 453
Cowper, Hon. Steve, Governor, State of Alaska 376
Craig, Sandra 589
Cronk, Leslie A., port manager, Sitka, AK 511
Dapcevich, John, mayor of Sitka, AK 340
Elerding, Mike 601
Eliason, Nancy 630
Eliason, Richard I., Alaska State Senator 416
Else, Page 585
Esquiro, Peter, Northern Southeast Regional Aquaculture Association, Inc. 493
Fike, Robert 620
Furrow, Francis J. 612
Gassman, John W. 621
Gee, Bill 619
George, Lydia, city council of Angoon, AK 372
Groshong, Ralph, Alaska Pulp Corp 578
Haciyan, Yetvart 624
Hames, Roger, president, Hames Corp. 428
Hammond, Austin, Children's Culture Camp 476
Hanlon, Ernestine, Tlingit of Hoonah, AK 449
Harang, Gordon, Arrowhead Transfer, Inc. 593
Horan, Charles E., real estate appraiser 434
Jacobs, Dennis, Chilkoot Lumber Co. 528
Johnson, Paul, Elfin Cove, AK 425
Johnstone, Alice 558
Jordan, Eric, chairman, Sitka Fish & Game Advisory Committee 498
Kaden, Hayden 580
Kaelke, Michael E., president, Sheldon Jackson College 594
Kilburn, Joseph 589
Kile, Larry 619
Kirchhoff, Mark J., city of Port Alexander, AK 407
Kobylus, Terry 624
Lancaster, Donald 608
Larsen, Ted 635
Leghorn, Ken, Tongass Tourism & Recreation Business Association 513
Loitz, Larry 611
Longshore, Frances 607
Mallott, Byron I., chief executive officer, Sealaska Corp 455
Mathisen, Sigurd, Petersburg Vessel Owners Association 492
Metcalf K.J., Southeast Alaska Conservation Council 560
Milla, Napolean 623
Murkowski, Hon. Frank H., U.S. Senator from Alaska 333
Murray, John 585
Nevers, Foy 584
Nylund, Jim 617
Oetken, Edward R., Alaska Pulp Corp 580
Parton, John 577
Pattison, Wayne, forest engineer 602
Pool, Christine 588
Poulson, Thad, editor, Daily Sitka Sentinel 438
Powell, Larry E., mayor of Yakutat, AK 398
Privett, William B., president, Southeast Conference 338
Ranger, Darrel 618
Roppel, Frank, executive vice president, Alaska Pulp Corp 518
Sandvig, Ruth 584
Sarvela, Pat 612
Schmidt, Lee 554
Senna, James, Shee Atika, Inc. 463
Servid, Carolyn 587
Sever, Florian 547
Smith, Carlton R., Southeast Alaska Native Land Acquisition Coalition 464

Page
Sparks, Ronald, member, board of directors, Kiukwan, Inc. 463
Srna, Tom 616
Stragier, Babe 601
Sunde, Elaine, president, Retail Merchant's Association of Sitka 429
Thompson, Harold K., president, Sitka Sound Seafoods, Inc. 486
Tonkin, Robert, Territorial Sportsmen 508
Villaneuva, Pete 620
Walker, Diane 618
Waller, Linda 587
Ward, Robert W. Jr., Sitka Convention Bureau 510
Watson, Bartlett R., Armstrong-KTA, Inc. 592
Wharton, Eric 616
Williams, Gordon, Alaska Trollers Association 487
Wirth, Hon. Timothy E., U.S. Senator from Colorado 331
Woodhouse, Art, superintendent, Sitka School District 427
Wright, Frank 590
Wright, Larry 623
Wyman, Phil, chairman, Sitka Fish & Game Advisory Panel 495
Yost, Rubin, mayor, Pelican, AK 423
Zeman, Russell 630
Ziel, Diane M., member, city council, Tenakee Springs, AK 411

# TONGASS NATIONAL FOREST

---

MONDAY, APRIL 24, 1989

U.S. SENATE,
SUBCOMMITTEE ON PUBLIC LANDS,
NATIONAL PARKS AND FORESTS,
COMMITTEE ON ENERGY AND NATURAL RESOURCES,
*Ketchikan, AK.*

The subcommittee met, pursuant to notice, at 7 a.m. in the Ketchikan High School Auditorium, Ketchikan, Alaska, Hon. Timothy Wirth presiding.

## OPENING STATEMENT OF HON. TIMOTHY E. WIRTH, U.S. SENATOR FROM COLORADO

Senator WIRTH. The Committee will come to order. I want to start by thanking Senator Murkowski and his staff who have been very gracious and helpful in setting up this hearing and we appreciate their assistance. This is a hearing of the Subcommittee on Public Lands and National Parks and Forests, the Committee on Energy and National Resources. I am Senator Tim Wirth of Colorado and I'll be chairing this hearing.

With me of course are our host, Senator Frank Murkowski, and Senator Conrad Burns from Montana. Senator Burns, we are delighted you are here.

I am pleased to be here today and I want to start by expressing my appreciation to Senator Dale Bumpers, the Subcommittee Chairman, and Senator Bennett Johnston, the Chairman of the full Committee, for agreeing to schedule this hearing.

The purpose of this hearing is to receive testimony on two bills, S. 237, Senator Murkowski's bill and S. 346, legislation which I introduced. Both of these bills concern the Tongass and how it's run.

How the Tongass is run of course affects all of you. We are very aware of that and that's why we are here. You live here surrounded by the Tongass and we have come to hear your opinions and your concerns and your ideas.

The question of how to run the Tongass is controversial in Washington, D.C., in my home State of Colorado and it is controversial here. We deal with a great number of controversial issues in the Senate and we do our best to listen to all sides, to respect the right of people to hold opinions that are different from our own and to respect their right to express those opinions. It is my intention to see that this hearing is run in that manner.

I expect that I will be hearing a good deal about my own legislation today. Before we start therefore I would like to say a few things about what I think it does and why I proposed it.

The Tongass is more than a local issue. It is not just any national forest. It is the largest one, it has internationally important wildlife and fishery resources. Its management has made it one of the most expensive of all our national forests to run, and in an era when we are trying hard to find a way to create more balanced plans for every national forest—plans that are responsive to the growing public demand for and economic importance of fisheries, recreation, tourism, wildlife and other values—the Tongass stands out as hamstrung in its ability to respond to that challenge. I believe the Tongass is hamstrung because all its planning and management revolves around three things unique to this forest: the rigid goal of having to supply 4.5 billion board feet of timber for sale per decade, the automatic provision of at least $40 million per year for timber programs and the fifty-year contracts which give two timber buyers exclusive control of large parts of the forest.

The legislation does five things: it eliminates the now-mandatory timber goal of 4.5 billion board feet per decade; eliminates the guaranteed minimum annual appropriation of $40 million; terminates the two 50-year timber contracts so that timber will be sold through the normal process of short-term contracts. It requires the Forest Service to revise its land management plan to adjust to not having the mandatory timber goal, the guaranteed appropriation or the long-term contracts and also to achieve a balance between timber, wildlife, fisheries, recreation and other uses and values of the forest. And finally the legislation places 23 areas off-limits to logging until this new plan is completed. The legislation does not put any lands in wilderness. It does not put any lands off-limits to logging permanently but it would insure that logging under the old plan does not eliminate the options for protecting these particularly important areas for fisheries, wildlife, recreation and subsistence use.

These five proposals were made in the hope that they would protect resources in the Tongass National Forest which are important to Alaska's economy and that they would enable the Tongass to adjust to a future which, whether legislation passes or not, is certainly going to be different than the past.

In the past the forest was run for the timber industry. It is becoming apparent that we cannot do that and expect everyone else to do just fine. Now the commercial fishermen, the tourism industry, the subsistence user and the hunters and fishermen of this area want to be partners in the management of the forest because they all depend on the forest as much as the timber industry does.

In the past, Congress thought that pouring money into the timber program of this forest and other forests would solve all local economic problems and provide community stability, but now we have to justify every Federal dollar spent as a good investment. The taxpayers in every state demand that and it is their money.

And lastly, in the past Alaska was far away from the rest of the country. It is still far away but now people in every part of America know about Alaska and are interested in it and care about its environment. They know about the oil spill and they know about this forest. It is their forest, too, and they want it to be protected from harm.

It is not my intent to stop timber harvest on the Tongass National Forest, or to close the mills in Ketchikan and Sitka, nor do I think that will happen. I do not see why those mills should not or cannot operate under the same sort of rules the mills in every other state operate under. Will it be as easy for the mills as it is now? Probably not. Maybe they will have more things to worry about, including competition.

I look forward to the testimony of the witnesses and I welcome their input. We will bring back what you say to the other members of the committee and Congress and I am sure the committee and the Congress will have a lively debate on these issues and I am looking forward to working with the committee members and with the Alaska delegation and with other interested members on this issue.

Again let me thank Senator Murkowski for his generous hosting of this hearing and I see Mrs. Murkowski in the front row and we are delighted to have her here.

Thank you very much. Frank.

## STATEMENT OF THE HON. FRANK H. MURKOWSKI, U.S. SENATOR FROM ALASKA

Senator MURKOWSKI. Thank you very much, Mr. Chairman and good morning.

It is a good and an early morning. As most of you know Nancy and I were raised here and graduated from Kay High. I guess that it is fair of the Chairman to say for us that the sun always shines in Ketchikan. It is really nice to be home.

Today's hearing really marks the fulfillment of a promise that I made some time ago, that no action would be taken on Tongass legislation until hearings were held in the communities most affected. Unfortunately the committee was unable to include Wrangell in the Hearing Schedule as I had requested. Senator Wirth and Senator Burns and Beth Norcross, who joins us here, and members of the professional committee staff are here as well, the Public Lands Subcommittee, I welcome you to Alaska and I welcome you to Alaska's First City, Ketchikan.

Now both Ted Stevens and Don Young regret very much that they are not able to be here; the Valdez oil spill disaster has spread our congressional delegation a little thin and Don and Ted are now touring Cordova and Valdez, Seward, Homer and Kodiak.

Legislation affecting the future of the Tongass National Forest is of course a subject vital to the people of Alaska and in particular those living here in southeastern Alaska. It is essential that Alaskans be heard before any legislative changes are made affecting the management of the Tongass.

Chairman Wirth is Acting Subcommittee Chairman and I want to thank you and Senator Bennett Johnston, the Chairman of the full Committee on Energy and Natural Resources as well as Senator Dale Bumpers, Chairman of the Subcommittee on Public Lands, for holding these hearings.

I also appreciate the courtesy which has been extended to me as a non-member of the Public Lands Subcommittee. The Committee has before it as Senator Wirth indicated, two bills which would radically—are of course radically different in their impact on the Tongass.

Senate Bill 346 produced by my colleague, Senator Wirth and others, and Senate Bill 237, introduced by me and Senator Stevens.

I believe the Wirth Bill would seriously cripple the timber industry and I think it would drastically reduce the timber supply, abrogate our two pulp mill contracts and force the United States to walk away from a commitment made to the people of southeastern Alaska.

I also find it rather ironic and troublesome that at a time when Alaska is facing severe challenges to our economic stability by the disaster in Prince William Sound that we are also facing the potential loss of our timber industry or some 4,423 jobs and the life-style of those Alaskans that are dependent on those jobs.

Now while we sort out the effects of the spill it is fair to say that exploration of—as well as relief sale activity in Bristol Bay and exploration in ANWR as well as resale activity in Bristol Bay are certainly off the screen. Exploration in ANWR and Sale 92 should not go forward until questions are resolved satisfactorily as to the adequacy of containment and contingency plans proven by actual testing.

It is significant given these realities that we are here today to fight for our state's only two year-round manufacturing industries. Why is it that some members of Congress want to shut down our mills, our timber industry and providers of jobs for three out of ten residents of Southeastern Alaska.

We can reform the management of the Tongass without devastating the economy of southeastern Alaska. That is what the Tongass Management Land Plan, or TLMP, is really all about, to gather the input from all the interests to make the management of Tongass National Forest more responsive to all concerns of all parties. With all the hearings and the input from Alaskans in the record and the TLMP Report to be available late this year or early next year, I find it inconsistent that we now move for this legislation before considering the recommendations made by the people of Alaska and the affected parties and the TLMP process. It is our feeling that our bill is a workable compromise and responsible to reasonable concerns about Tongass management. It takes in concerns of the Southeastern Conference, those who oppose the $40 million Federal Fund as well as groups fighting for their jobs and lifestyles, such as the Alaskan women in timber.

The important aspect of our proposals are one, it does not walk away from the commitment made by the United States to the people of Southeastern Alaska and, two, it does not upset the basic compromise crafted by them.

Our bill would repeal the off-budget appropriation to Congress' timber program and repeal the mandate that the Forest Service make 4.5 billion board feet of timber available to the dependent industry each decade.

Under our bill the actual amount of timber prepared for sale, sold and harvested would be limited by the annual congressional appropriation, the sustained yield capacity of the forest which includes protection of fish and wildlife and the market demand for timber. In addition we would require that a sufficient amount of land outside existing wilderness remain in multiple-use management to support the timber dependent southeast Alaska communities on a sustained basis.

Mr. Chairman, it is my sincere hope that you and others will keep a perspective on the many important issues that will be brought to your attention by the witnesses, issues such as old-growth virgin stands, clear-cutting, additions to wilderness and buffer zones, free from timber cutting around our small communities and spawning streams, winter kill of our deer population, along with beach and fringe stands of old growth to sustain the deer habitat, along with the presence of the deer from both wolf kill and hunting by man.

The contributions of lush second-growth stands such as those at Edmund Bay and Prince of Wales cut during the Second World War and yielding tenfold, a new forest contributing as a sump in assimilating carbon dioxide, a positive contribution to the world's warming trend and the realization that nearly 40 percent of the Tongass is deteriorating and dying and the only utilization is in the form of wood fibre and not lumber for that timber we have cut. Mr. Chairman, it is important that we include in the record the Tongass Land Statistic attached hereto and I would ask that that be included in the record but I will not read it at this time but I would like to here praise the 5.7 million acres of harvestable old-growth forest land in the Tongass, two-thirds already set aside for fish and wildlife, recreation and wilderness. Two-thirds, Mr. Chairman, 1.7 million acres and one-third is already in wilderness in perpetuity, roughly one-third, 2.5 million acres is managed for fish and wildlife and other uses which exclude road construction and logging and only 1.7 million acres or one-third of the harvestable timber in southeastern Alaska will ever be logged. That is only 10 percent of the entire 17 million acre forest.

Don Young asked me to emphasize the significance of H.R. 1368, a bill reported by the Forest Subcommittee, the House Agricultural Committee and the bill requires the Forest Service to meet market demand up to 4.5 billion board feet per decade and it does away with $40 million in federal funding and it is quite similar to my bill.

Mr. Chairman, our bill, Senate Bill 237, represents a compromise. We have eliminated the $40 million annual funding. There has been so much criticism directed at putting the Tongass on an equal footing with all other national forests and additional compromises will be forthcoming as a result of these hearings and we do welcome them. Nevertheless we must craft this legislation to protect the livelihood and the lifestyles of the majority of Alaskans in the communities threatened.

I want to thank you, Mr. Chairman, and I look forward to the views of my fellow Alaskans.

Senator **Wirth**. Senator Burns.

Senator **Burns**. Thank you very much.

## STATEMENT OF HON. CONRAD BURNS, U.S. SENATOR FROM MONTANA

Senator **Burns**. Thank you very much.

I will be brief because being the new member on this Committee and the Subcommittee and as a new representative of the State of Montana I come here to listen, not to hear Senators talk. We hear each other talk every day in Washington, D.C. This is my first trip to Alaska and even though I just arrived I can see that this state so vast that it dwarfs my home State of Montana.

Alaska and Montana have a lot in common. We depend upon tourism for our economy; we also depend on timber products and the industry to provide many of our jobs. These similarities are some of the reasons that I have come to this hearing. I am very interested in the eventual legislation that will pass with a potential effect on my home State of Montana and upon this nation.

But more than that I am interested in hearing from people who would be most affected by the deliberations. I believe strongly that the decision we make here and on our federal lands must be done with full consideration of local economies and local communities and the sociological effects. I believe that a balanced use of natural forests and a multiple use, if you will, and I also believe that the proper forest management is achieved through the use of land management process.

Congress should avoid micro-management decisions. The current 450 million board feet annual supply requirement may or may not be supportable when the current planning process is completed. If the revised forest plans indicate that this level of harvest is not sustainable then we will take another look, reassess and look at our goals with full public disclosure and the result of long-term effects on the dependent industries, on the communities that are directly affected.

Again, I am looking forward to the testimony from Alaskans. I understand that there are many people who want to testify but keep in mind that we only have so much time and I will cut my remarks short. I invite those people to submit written testimony for our committee.

Thank you, Mr. Chairman, I think we should get down to the business at hand.

Senator WIRTH. Thank you very much, Senator Burns. Let me make a couple of procedural comments about how we are going to operate.

We will first hear from several panels of witnesses. After the panels have concluded you will hear from individuals. Most panelists and individuals should check the witness list posted outside to give you an approximate idea of the time when you will be testifying.

All witnesses on this morning's panels who are here should take a seat in the section reserved for you, the first few rows of seats down here. Everyone down here on the left will know who is here and you will all have a chance then to move in when your opportunity presents itself. When your panel is called to testify please come up on the stage and take a seat in the back row. There are two rows of three seats here and that is what I mean by the back row—that is sort of the on-deck circle. After the preceding panel has completed testifying move up to the table and bring all the copies of your written statement with you at that time. The staff will collect them and distribute them. After you have completed testifying please exit the stage through the center stair.

While I am finishing this maybe we could have the first panel and the second panel come up now, the first panel might come up and take their places, the first panel includes Mr. Ralph Gregory, Mayor of Ketchikan, Mr. Ted Ferry, the Major of Ketchikan Borough, Adrian LeCornu, Mayor of Hydaburg, Robin Taylor, State Representative Cheri L. Davis, State Representative Joe Sebastian, Representing The Point Baker Community Association, Fern Neimeyer, Mayor of Wrangell and Bruce Botelho, the Mayor of Juneau.

If all of you can please take your seats we would appreciate it and maybe we can get the second group, Panel II, to come up and take the spots behind, if they might do so, that's Greg Steveler from Gustavus Community Association, Leslie Bartholomew, Cliff Taro, Roger Stone, Marlene Clarke and Lew Williams.

This way it is going to allow us to move this hearing and hear as many witnesses as we can.

As all of you know we will limit each panel member's oral testimony to three minutes. I know that's not very long but I ask you to summarize your testimony and your testimony will of course be included in full in the record.

Please keep an eye on the timer; in front of me is a timer—there is a red light and a green light, and the green light will be going on during your testimony and when the red light comes on I am going to intervene, unfortunately, and say that we have got to move on. It is tough to try to cram everything you know about this important issue into three minutes and we know that as well.

As I said your entire record will be included in full in the record and the record will be open for two weeks for additional written statements.

If any one of the witnesses or anyone else wants to submit a statement for the record please send it to the Energy and Natural Resources Committee in the United States Senate in Washington, D.C. and we will see that it is included or if anybody today is here and is not going to be able to testify and wants to submit a statement for the record please make sure that we have that before we leave so with that let us begin, if we might. Start with Mr. Botelho, who has agreed to kick us off and then go to Mr. Gregory, Mr. Ferry, Adrian LeCornu, Robin Taylor and Cheri Davis and Joe Sebastian and Fern Neimeyer and all of you, thank you very much for coming and being here so bright and early and bushy-tailed so early in the morning. We appreciate it.

Mr. Botelho.

## STATEMENT OF BRUCE BOTELHO, MAYOR OF THE CITY AND BOROUGH OF JUNEAU

Mr. **Botelho**. Thank you, Mr. Chairman, and Mr. Murkowski, Senator Murkowski and Senator Burns. We hope you have seen a little bit of the big skies that we share here in Alaska with your great state.

I am Bruce Botelho, I am the Mayor of the City and Borough of Juneau and here to represent the official view of the Assembly taken by resolution and adopted on March 6th of this year and I have attached a copy of that resolution with my testimony submitted earlier.

The Juneau Assembly has joined other southeast communities and the State of Alaska in endorsing the Southeast Conference policy position on the Tongass National Forest; however we made two amendments to that resolution.

I am aware that representatives of the Southeast Conference will be testifying before you tomorrow in Sitka on the details of that position so I merely wish to emphasize the five main points the conference first was called for: clarification of the mission of the National Forest to include an allowable harvest of up to 4.5 billion board feet per decade depending on marketing conditions and subject to multiple use values of the Tongass National Forest. In our view it is important to maintain existing jobs in the forest yet imperative we protect fish and wildlife and their habitat. Second, the Conference has called for establishment of a specific intensive management fund to ensure that the Forest Service is able to make sure that marginal timber stands viable sales for the industry while sustaining other uses of the forest.

Third, the conference is called for setting aside twelve areas for protection due to the high values of fish and wildlife production in those areas and here I wish to emphasize that the Juneau Assembly has firmly gone on record in favor of also protecting the Mansfield Peninsula of Admiralty Island from commercial timber harvest by adding it as a thirteenth protected area. This is an area of great importance to Juneau residents.

The conference has also called for providing land trades, exchanges or purchases of non-wilderness lands to increase the timber base for allowable harvest levels and fifth, the conference has called for the establishment of an economic diversification fund for grants and loans to provide opportunities to strengthen the more diverse southeastern economy.

The second issue that the Juneau Assembly has focused on is the paramount importance we place on the U.S. Forest Service working with all southeastern communities in the preparation of all revisions in the Tongass Land Management Plan and any reports that would be required to prepare for congress.

Mr. Chairman and Senators, this proposal was developed to meet the needs of the Tongass National Forest and the people who live in it. We believe it is fair, workable and realistic and urge you to look carefully at the compromise crafted by the southeastern residents.

Senator WIRTH. Thank you for your presentation, Mr. Botelho, you hit the three minute mark at 3:05, setting a wonderful precedent for everybody else all day long and we do appreciate that.

[The prepared statement of Mayor Botelho follows:]

Testimony of Bruce Botelho, Mayor of the City and Borough of Juneau - 4/24/89

I am Bruce Botelho, Mayor of the City and Borough of Juneau. I wish to thank you for coming here to Southeast Alaska where the people who will be most affected by your decisions live.

I am here to present the official view of the City and Borough of Juneau as adopted by our Assembly on March 6th of this year in Resolution 1368am. I have attached copies of that resolution to the written testimony I have submitted.

The Juneau Assembly has joined other Southeast communities and the State of Alaska in endorsing the Southeast Conference policy position on the Tongass National Forest. We specifically endorsed the version of the policy position dated February 21, 1989, with two amendments set forth in the resolution.

I am aware that representatives of the Conference will be testifying before you tomorrow in Sitka on their position so I will merely mention the five main points.

1) Clarification of the mission of the National Forest in the Tongass to include an allowable harvest of up to 4.5 billion board feet per decade depending on market conditions and subject to multiple use values of the Tongass National Forest. It is important to maintain existing jobs in the forest yet imperative we protect fish and wildlife and their habitat.

2) Establishment of a specific intensive management fund to ensure that the U.S. Forest Service is able to make marginal timber stands viable sales for the industry while sustaining other uses of the forest.

3) Setting aside 12 areas for protection due to the high values of fish and wildlife production in those areas.

Here I wish to emphasize that the Juneau Assembly has formally gone on record in favor of also protecting the Mansfield Peninsula of Admiralty Island from commercial timber harvest by adding it as a thirteenth protected area. This is an area of great importance to Juneau Residents.

4) Providing for land trades, exchanges, or purchases of nonwilderness lands to increase the timber base for allowable harvest level (to include potential use of harvested land).

5) Establishment of an economic diversification fund for grants and loans to provide opportunities to strengthen ta more diverse Southeastern economy.

The second issue that the Juneau Assembly has focused on is the paramount importance we place on the U.S. Forest Service working with all Southeastern communities in the preparation of all revisions in the Tongass Land Management Plan and any reports it will be required to make to Congress.

Mr. Chairman and Senators, this proposal was developed to meet the needs of the Tongass National Forest and the people who live in it. I believe it is fair, workable, and realistic. I urge you to look carefully at the compromise crafted by Southeastern residents, and further urge you to include the much used Mansfield Peninsula as a protected area. Thank you.

Presented by: Assemblymember Campbell
Introduced: 03/06/89
Drafted by: M.G.C.

# RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 1368am

A RESOLUTION ENDORSING, WITH CERTAIN AMENDMENTS, THE SOUTHEAST CONFERENCE POLICY POSITION ON MANAGEMENT OF THE TONGASS NATIONAL FOREST.

WHEREAS, the City and Borough of Juneau is located within the Tongass National Forest, and

WHEREAS, we, the residents of Juneau, like other people who live within the Tongass, depend on the resources of the forest for jobs in the timber, fishing, mining, tourism, and other industries, and

WHEREAS, we depend on the Tongass for recreation and for obtaining food through hunting and fishing, and

WHEREAS, proper management of the Tongass is essential to protect and enhance the use of our forest, and

WHEREAS, Congress is currently considering changes to the laws governing management of the Tongass National Forest, and

WHEREAS, the Tongass Committee of the Southeast Conference has developed a policy position representing neither the interests of the timber industry nor conservation advocacy groups, but instead the interests of Southeastern Alaska communities and the people who live and work within the Tongass, and

WHEREAS, the Assembly has reviewed and endorses the policy position with certain amendments set forth in this resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

1. That the Assembly endorses the Southeast Conference's policy position on the Tongass National Forest dated February 21, 1989, with the amendments set forth in this resolution. A copy of the policy position is attached to this resolution and summarized in the following five points:

(a) Clarification of the mission of the National Forest in the Tongass to include an allowable harvest of up to 4.5 billion board feet per decade depending on market conditions and subject to multiple use values of the Tongass National Forest. (Maintain existing jobs in the forest while protecting fish and wildlife and their habitat.)

(b) Establishment of a specific intensive management fund to ensure that the U.S. Forest Service is able to make marginal timber stands viable sales for the industry and sustain other values.

(c) Setting aside 12 areas for protection due to the high values of fish and wildlife production in those areas.

(d) Providing for land trades, exchanges, or purchases of nonwilderness lands to increase the timber base for allowable harvest level (to include potential use of harvested land).

(e) Establishment of an economic diversification fund of grants and loans to provide opportunities to strengthen the Southeastern Alaska economy.

2. The Assembly adds the Mansfield Peninsula portion of Admiralty Island to the list of public lands within the Tongass National Forest that are designated as protected noncommercial timber areas, and urges the Southeast Conference to amend the policy position at page 9 to add the Mansfield Peninsula to Section 709(a)(1) of the Alaska National Interest Lands Conservation Act (ANILCA).

3. The Assembly amends the final sentence in Section 705(b)(2)(A) of ANILCA, at page 8 of the policy position, to read: "The report shall be prepared in consultation with the communities of Southeast Alaska." The Assembly urges the Southeast Conference to so amend the policy position.

4. The Assembly amends the final sentence in Section 709(a)(2) of ANILCA, at page 9 of the policy position, to read: "The report shall be prepared in consultation with the communities of Southeast Alaska." The Assembly urges the Southeast Conference to so amend the policy position.

5. Copies of this resolution shall be sent to the Honorable Steve Cowper, Governor of the State of Alaska; the Honorable Dale Bumpers, U.S. Senator, Chair, Senate Subcommittee on Public Lands, National Parks, and Forests; the Honorable George Miller, U.S. Representative, Chair, House Subcomittee on Water, Power, and Off-Shore Energy Resources; the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress; and Honorable Senator Jim Duncan and Honorable Representatives Fran Ulmer and Bill Hudson, members of Juneau's delegation in the Alaska Legislature.

6. Effective Date. This resolution shall be effective immediately upon adoption.

Adopted this 6th day of March, 1989.

Mayor

Attest:

Patty Ann Polley

Clerk

SOUTHEAST CONFERENCE

# A Policy Statement on the Tongass National Forest Legislation and Management

## AN ALASKAN PERSPECTIVE

---

*"Working For All Alaska"*

SOUTHEAST CONFERENCE

P.O. Box 22286 Juneau, Alaska 99802

February 21, 1989

To Whom It May Concern:

The Southeast Conference has worked long and hard to develop the enclosed policy position regarding legislation and management of the Tongass National Forest. This policy position is intended to close the argument and stop further erosion of the economy of Southeast Alaska. It is not intended to diminish the role of the timber industry or any other industry in our effort to build a stable diversified economy.

This position has been developed with input from communities of Southeast Alaska and provides a balanced resolution that is intended to ensure continued employment, and opportunities in timber, fisheries, tourism, recreation, mining, and subsistence. The policy was developed with a focus on the families in Southeast Alaska. Although concerns of special interests were taken into consideration, and frequently paralleled that of communities, they were not (and cannot be) the primary focus.

This policy is intended to accomplish the following:

- Clarify the mission of the National Forest Service in the Tongass to include an allowable harvest of up to 4.5 billion board feet per decade depending on market conditions and subject to multiple use values of the Tongass Forest. (Maintain existing jobs in the forest while protecting fish and wildlife and their habitat.)

- Establish a specific intensive management fund to ensure that the Forest Service is able to make marginal timber stands viable sales for the industry and sustain other values.

- Set aside 12 areas for protection due to the high values of fish and wildlife production in those areas.

- Provide for land trades, exchanges, or purchases of non-wilderness lands to increase the timber base for the allowable harvest level (to include potential use of harvested land).

- Establish an economic diversification fund of grants and loans to provide opportunities to strengthen the Southeast economy.

Southeast Alaskans, like most Americans, know it is possible with ingenuity, hard work, and dedication to have sound economic development while protecting our quality of life. We need not settle for less!

We are not professional drafters of federal legislation and therefore ask indulgence for our presentation. We are available to work with interested parties to clarify our policy. We respectfully offer our position paper to Alaskans, the U.S. Congress, and the American people as a fair and reasonable resolution to the conflict in the Tongass.

Respectfully Submitted,

William B. Privett
President, Southeast Conference

*"Working For All Alaska"*

16

SOUTHEAST CONFERENCE
P.O. Box 22286 Juneau, Alaska 99802

# TONGASS NATIONAL FOREST
## Policy Position

Table of Contents:

| | | Page |
|---|---|---|
| I. | Introduction | 1 |
| II. | Underlying Interests and Objectives of Southeast Alaskan Communities | 6 |
| III. | ANILCA Considerations | 7 |
| IV. | Descriptions of Special Areas | 10 |

2/21/89

"Working For All Alaska"

SOUTHEAST CONFERENCE
P.O. Box 22286
Juneau, Alaska 99802

## TONGASS NATIONAL FOREST
### Policy Position

## I. INTRODUCTION

The Southeast Conference is a Non-Profit Corporation comprised of local elected officials, business leaders and community members representing Southeast Alaska dedicated to improving the well being of Alaskans through the prudent expansion of the Alaskan economy. The Conference was formed in 1963 to spearhead efforts to establish a transportation infrastructure in the land locked panhandle of Southeast upon which to build viable local and regional economies. The Conference was successful in that endeavor; working with the State and Federal governments the Southeast Conference built an ominous "sailing bridge" from Seattle throughout Southeast, the Alaska Marine Highway System. It is a billion dollar example of what the people of Southeast can do when they work together to overcome an obstacle or challenge. That system is only one of may varied accomplishments of the Southeast Conference efforts ranging from the Ketchikan shipyard to the continued development and expansion of the University of Alaska Southeast. The successes can all be attributed to the people of Southeast striving together for a common purpose, while maintaining mutual respect for community differences, quality of life, and the importance of cultural heritage. The Southeast Conference knows that the well being of the region is dependent on the well being of the individual communities.

The mission of the Southeast Conference is to build and maintain a stable, diversified economy that provides for an improved standard of living, quality employment and business development opportunities for the people of Southeast Alaska through prudent use of our resources. Use of these resources should reflect respect of the culture and the individual community perspective of quality of life by taking strong deliberate actions to affect business and government decisions and markets; while encouraging a family centered society, a clean environment and maximum realization of our mental, physical, emotional and spiritual well being.

It was with this history and spirit that the Board of Directors met in September and launched an all out effort to resolve the conflicts and economic peril surrounding the Tongass National Forest management and legislation. During the Annual Meeting last Fall in Ketchikan the Southeast Conference engaged in conversations and work sessions with timber industry personnel, conservationists, as well as the Governor and the Regional Forester about the problems in the Tongass. One thing became abundantly clear, if there was going to be an acceptable resolution to the Tongass conflict, there needed to be an effort toward developing a consensus, at least in Southeast.

The Conference established a five member Tongass Committee comprised of representatives from large and small southeast Alaskan communities reflecting the interests of timber, subsistence, fisheries, tourism

*"Working For All Alaska"*

and mining. In order to understand the complexity of the problem, the Tongass Committee decided to look at the southeast economy and community interests in depth. The committee used a process of principled negotiation while working on the project and constantly notified communities of progress and sought input. The work of the committee was divided into three phases: analysis, option development, and the decision stage. The majority of the 18 weeks of work was spent in the analysis stage. Following is a brief discussion of the committee's findings.

The State's economy will, increasingly in the future, be affected and directed by the regional economies rather than a single industry (oil). The regional economy of Southeast is necessarily the future of the Tongass. The well being of the people of Southeast Alaska is inextricably linked to the management of the Tongass National Forest. The economic stability of Southeast is subject to the decisions that the Forest Service makes regarding permits, sales, practices and day to day management of the Tongass. The 65,000 residents of Southeast Alaska rely on four primary industries, timber, tourism, fisheries, and mining, and in many cases a subsistence way of life, for employment and the economic infrastructure. Our economy is beginning to show more strength in traditional industries, i.e. fishing, mining, and forest products. It appears that if our trading markets do not falter, we will see continued growth and diversification.

The Southeast Alaska region, over the past fifty years, has given its residents one of the State's most economically diverse and stable geographic areas. However, the future of this economic unit is tied to continued vitality in the timber, fishing, tourism and mining industries, as well as subsistence. These industries are inter-related and dependent on one another for their viability. Our Southeast industrial base is fragile, inter-related, and dependent on the price and frequency of goods and services established by the combined demand of fishing, tourism, mining and timber.

At the present time total employment, earnings to workers and value of finished product from fishing, tourism, and timber are achieving a rough balance. The latest estimates by the Alaska Department of Labor indicates that for the month of July, 1988 there were at least 3,205 workers in the timber industry in Southeast. Actual employment in fishing and tourism is extremely difficult to compare across the board. Using baseline data from the USFS and the State, both fishing and tourism may have total employment at similar levels. It is currently estimated by the State of Alaska that 20 to 25 percent of earnings in Southeast are timber industry dependent. By extrapolation, similar levels are assumed in fishing and tourism. Mining has made a startling comeback in the past three years and will soon be an equal partner. Further, subsistence is a significant part of the economies of most small communities throughout Southeast.

Although certainly employment is not equal across the board, one thing is clear: taken on the average and over time, there is beginning a real "leveling" between these basic industries, their employment and total impact. This mutual support effect results in a broader economic base and will allow a community to experience a setback in one industry or segment of an industry without area wide recession. It also allows costs of community development and infrastructure to be born by that broader base.

The goal of the U.S. Congress, when the long term timber sale was approved, was the formation of a stable and enduring economy for Southeast Alaska. With diversification, including fishing, tourism, timber, mining, and subsistence, there is a growing realization that each has an important contribution to the overall competitive position of Southeast Alaska in the world market. The regional economic well-being is directly tied to continued health of the other partners in that industrial base. Every unit of the economy benefits from the transportation infrastructure, localized roads, and community development, so long as that does not infringe or threaten the quality of life or the other industries. The committee found it essential in these discussions to develop an option that reinforced economic "value added" diversification.

The underlying interests raise complicated questions and challenges. Debate is serious, sometimes hateful, but always reflective of a need to clarify the mission of the U.S. Forest Service in the Tongass. Southeast opponents of continuation of the large scale logging and specific subsidized harvest levels are using congressional debates for airing their concerns about the Forest Service management practices. They argue that the supposition of a multiple use mission is skewed, or even impossible given the mandates of Section 705 of ANILCA to provide 4.5 billion board feet per decade from the Tongass. These proponents for change say that this harvest mandate skews the mission of the Forest Service. Their concerns include a lack of protection of important fish and wildlife habitat , let alone enhancement. The argument comes to economic point on details that suggest a threat to the fisheries, subsistence as well as the recreation and tourism industries.

Opponents of the status quo suggest that the communities' areas of special interests, quality anadramous streams and wildlife habitat all fall second consideration to the skewed mission. They add that there is no opportunity for competition.

Proponents of the pulp timber industry counter by claiming that the pulp mills are only economically viable with reasonable long term commitments of access to productive timber stands. Ketchikan Pulp Company has for example recently invested some 35 million dollars to "retool their mill" for more cost effective value added use of the timber coming to them. The mills maintain they must have contracts and commitments of large volumes of timber to sustain their financial stability. Further, proponents point out that roads constructed provide long term use by tourists, fishermen, and hunters; and that they provide valuable recreation, and subsistence opportunities. Further, there are four smaller log mills that operate efficiently by selling the pulp which some estimate is up to 50% of the timber, to the pulp mills and lumber milling the other for market.

The major concern of many of the people of Southeast is of course that a threat to the financial stability of the mills corresponds to a potential loss of jobs and ultimately places families in crisis!

Further, irrespective of changes to the status quo, it is obvious that the limitations of Tongass National Forest designations will cause some drop in employment due to the decline in production on private land and the unavailable timber for open sale. The total employment currently cannot be absorbed in the Tongass. Perhaps diversification is the only long term opportunity for those that will ultimately be displaced.

The current level of harvest of 400 mbf and the resultant jobs within the Tongass (i.e. existing employment that is a function of the harvest within the Tongass National Forest) may be sustainable. However, the Forest Service as well as others have shown us in gruesome detail that the current total Southeast harvest is definitely not sustainable under any circumstances. This poignant reality is due to harvest levels on private land that are not on a sustained yield basis. This harvest level which is not bound by primary manufacturing restrictions, allowing round log exports, brings the total harvest in Southeast to almost 800 mbf this year. There is a contraction coming irrespective of changes to 705. The focus of the Southeast Conference has been to balance this reality with other community interests.

Another critical point raised within the Committee debate is the question of the twelve special areas that communities have requested be removed from commercial harvest designation. The Southeast Conference Tongass Committee spent hours reviewing and discussing these areas. There is no question that they have high quality unique intrinsic values. The Southeast Conference worked with the Forest Service, the Department of Fish and Game, and others in narrowing the scope of these requests. But they are real and the consequences of the withdrawals mean a loss of a little more than 23 million board feet.

Further, the Forest Service indicates that this will increase the pressure for intensive management and questions of sustaining a 4.5 billion board foot harvest level. The opponents of status quo also mention this may further skew the mission.

This issue received further investigation and consideration because the timber industry and the Forest Service maintain that the proposals for withdrawal would cause a commensurate loss of jobs. (The GAO estimates that the loss would be 4.2 jobs per million board feet.) This is further complicated by an argument that these are potential jobs, since the 24 million board feet is far short of impacting the 400 million board feet currently harvested from the Tongass, not existing jobs. But again the industry counters that these are potential jobs for those who may ultimately lose employment from the private harvest that will be shut down (within the next 5 to 10 years) since it is not a sustainable harvest.

The Southeast Conference has determined that no industry as aforementioned is safe or potentially stable until the Tongass issues are resolved. Therefore, the committee has ferreted out the major underlying interests of the communities and through principled negotiation, developed a proposed resolution to the major conflicts.

The vast expanse of land and natural resources in the Tongass are both a blessing and a curse. On the one hand, wilderness, personal freedom and unlimited opportunity are available to anyone. On the other, the outstanding natural beauty, the relatively small population and the widely held mistrust of development invites congressional intervention. In the Tongass we have an interdependent, fragile economy. Legislation being considered by Congress could weaken this fabric. It could start a chain reaction resulting in serious regional recession and economic de-stabilization. It could cause multiple-use areas to become one-industry towns.

The Southeast Conference has a vested interest in assuring that when the dust clears in Washington D.C., there will be no winners or losers in the Tongass. The Southeast Conference has developed this position through a principled negotiation process involving representatives of communities and interests from throughout Southeast. It is fair, reasonable, and critical to all Alaskans.

## II. UNDERLYING INTERESTS/OBJECTIVES OF SOUTHEAST ALASKAN COMMUNITIES

Following is the Southeast Conference policy position on Tongass National Forest Legislation and Management. We propose that this position be used for the development of reasonable legislation and Tongass land management practices that are sensitive to the people whose lives are physically, mentally, emotionally and spiritually interwoven with the Tongass.

A. Objectives reflecting the underlying interests of the Southeast Communities:

1) To maintain the employment within the Southeast Timber industry including providing for diversification (perhaps Federal-State assistance for retooling and small mills, etc.).
2) To maintain employment within the fisheries industry including State and Federal efforts to provide for research, protection, and mitigation for anadromous streams.
3) To maintain employment within the mining industry and to recognize the unique mining opportunities that benefit communities.
4) To maintain employment within the tourism industry including sensitivity to respective communities' unique tourism opportunities (e.g. RVs, parks, docks, and highly visible areas), and dispersal of Pacific Rim and other Independent travelers.
5) To have Congress recognize and provide for respective communities' social, personal, and cultural uses.
6) To have Congress recognize that all of these uses are important to the people of Southeast and that these uses, the people, and the management of the Tongass are interrelated and mutually supportive.
7) To have Congress recognize the respective communities' interest in protecting specific areas from commercial harvest.
8) To have Congress recognize that the timber industry needs access to "appropriate and productive" stands to maintain a viable industry and timber employment.
9) To insure that Southeast Alaskans have a voice "at the table" in any and all discussions and decisions regarding the Tongass legislation. (This includes congressional hearings; and if a hearing is held in Alaska, it should be held in Sitka.)
10) To maintain a stable and diversified economy throughout Southeast.
11) To maintain at least the current level of federal commitment to the economy of Southeast Alaska and to provide opportunities for diversification, particularly for those that may be disenfranchised by legislation.
12) To separate Tongass legislation from other political issues or legislation.

## III. ANILCA CONSIDERATIONS

Section 705(a) of the Alaska National Interest Lands Conservation Act (16 U.S.C. 539(a) is hereby repealed and reenacted to read as follows:

(a) Congress finds that the Tongass National Forest possesses rich and diverse natural resources of inestimable value to the citizens of Alaska and the Nation. Many of these resources are vital to the regional economy of Southeast Alaska and, in differing mixes, to its varied communities. To foster and clarify a balanced multiple use mission for management of the Tongass Forest and the importance to the people of Southeast Alaska of clean air and water, timber harvesting and processing, commercial fishing, mining, subsistence, tourism (including sport fishing, hunting and other outdoor recreation), and associated support services, and to provide for broader distribution of the economic benefits of the Tongass Forest to the residents of Southeast Alaska, it is hereby enacted -

(1) The Congress authorizes and directs the Secretary of Agriculture to utilize federal funds of up to 15 million dollars, adjusted annually for inflation and appropriated on an annual basis, to ensure a multiple use mission and carry out an intensive management program. The fund is to be utilized so as to make available up to 4 billion five hundred million board feet per decade to maintain a timber supply to a dynamic and dependent industry necessary to meet annual market demand and subject to protecting and enhancing other resource industries and uses. The Secretary is authorized to adjust the allowable harvest, through the Land Management Planning Process, based on market conditions for timber, sustained yield principles of management of maintaining fish and wildlife, and recognition of other considerations of the multiple use mission.

(2) On the first day of each fiscal year, the Secretary of the Treasury shall transfer funds into the intensive management account equal to the amount expended from the account during the prior fiscal year. The Secretary of Agriculture is authorized and directed to use funds from the account exclusively for:
(A) Construction of the facilities needed to access new and existing timber sale areas which have been awarded or released and which meet the criteria for added investments contained in the 1986 Forest Service Region X's Timber Sale Preparation Handbook; and
(B) Timber stand improvement; and
(C) The Secretary is authorized and directed to use up to 20% of the intensive management funds to promote, protect and enhance subsistence sport and commercial fisheries, the wildlife, and recreation resources. The Secretary shall provide a report to Congress annually regarding the use and effectiveness of the fund.

(3) The Secretary is authorized to adjust the maximum clear cut size to optimize economic harvesting of timber sale areas, and make other adjustments deemed appropriate so long as such clear cut size and other adjustments are not inconsistent with the multiple use mission and objectives of the Tongass Land Management Plan (TLMP).

Sections 705(b)(1) and (2) are repealed and reenacted to read as follows:

(1) The Secretary is authorized and directed to establish a special fund and program of economic diversification loans and grants to stimulate enhancement and diversification of the economy of Southeast Alaska. The Secretary is authorized to promulgate regulations deemed necessary to define eligibility requirements providing for at least fifty percent of the fund to be utilized for grants to small businesses, community, and regional efforts that stimulate the economy of Southeast Alaska. The Secretary is authorized to establish a loan program to provide loans to industries within Southeast Alaska for "value added" initiatives or more efficient utilization of natural resources of the Tongass.

(2) To carry out the special economic diversification program established by this Section, there is hereby authorized beginning after Fiscal Year 1989 to be appropriated $20,000,000. from the National Forest Fund receipts, to be deposited in a special fund in the Treasury of the United States to remain available until expended.

(A) On the first day of each fiscal year, the Secretary of the Treasury shall transfer funds into the economic diversification fund equal to the amount expended for grants during the prior fiscal year. Repayments of principle and interest of loans and other recoveries of funds authorized by this Section shall be credited to the fund. The Secretary shall provide Congress with a report annually regarding the use and effectiveness of the fund. The report shall be prepared in consultation with the Southeast Conference, a corporation representing municipalities and individuals of Southeast Alaska.

(3) Sections 705(b)(1)and (2) are repealed effective September 30, 1999.

Section 705(c) is repealed and reenacted to read:

(c) The Secretary of Agriculture shall review and if necessary renegotiate the long term sale contracts to ensure:
1) employment stabilization to the maximum extent possible for those working in the Tongass National Forest;
2) fair and reasonable accommodation to the contract holders considering their investment in requiring fair market value rated for timber;
3) fair and reasonable competition within the timber industry in the Tongass National Forest;
4) that the contracts are consistent with the the Tongass Land Management Plan and any revisions thereto;
5) that Southeast Alaskan communities are given consideration in their respective interests;
6) that the contractors are given a clear definition and commitment of location and amounts of timber available through the contract period as part of the forest plan revision;
7) clear statements of the responsibility and authority of the Forest Service to protect fish and wildlife resources and habitats.

Section 705(d) is repealed.

Title VII is amended by adding a new section to read:

Section 709(a)(1) The following public lands within the Tongass National Forest are hereby designated as protected non-commercial timber areas:

| | | | Impact Potential | |
|---|---|---|---|---|
| Yakutat Forelands | 134,822 | acres | 3.75 | million bd.ft./year* |
| Kadashan River Watershed | 33,641 | " | 2.52 | " |
| Chuck River/Windham Bay | 74,942 | " | 2.00 | " |
| Lisianski and Upper Hoonah Sound | 134,657 | " | 3.58 | " |
| Nutkwa River Watershed | 22,507 | " | 1.87 | " |
| Karta River Watershed | 38,701 | " | 0.00 | " |
| Mt. Calder/Mt. Holbrook | 48,000 | " | 3.79 | " |
| Young Lake | 18,173 | " | 1.35 | " |
| Outside Islands - | | | | |
| Noyes | 24,651 | " | 1.64 | " |
| Lulu | 18,517 | " | .24 | " |
| Baker | 31,946 | " | 1.24 | " |
| Trap Bay Watershed | 6,446 | " | .65 | " |
| Goose Flats | 23,798 | " | .60 | " |
| Berners Bay | 35,379 | " | .04 | " |
| TOTAL: | 646,180 | acres | 23.27 | million bd.ft./year |

(* These volume/year figures are to be compared to the '450' million board ft/yr timber supply goal managed on a 100 year rotation.)

The Secretary shall manage the protected areas designated in this section in accordance with Land Use Designation II as defined in the Tongass Land Management Plan (amended 85-86). The Secretary shall establish a management direction specific to the above areas including allowed uses other than timber harvest, through the Land Management Planning Process in consultation with the communities of Southeast Alaska.

(2) The Secretary is authorized and directed to pursue reasonable opportunities for non-wilderness land exchanges, trades, and/or purchases with the State of Alaska and/or any appropriate private land owners of property that may add to the timber base to mitigate or eliminate the potential economic impacts of 709(a)(1) in Southeast Alaska. The Secretary shall provide Congress with a written report and recommendations including a complete description of any proposed exchanges or trades. The report shall be prepared in consultation with the Southeast Conference.

## IV. DESCRIPTIONS OF SPECIAL AREAS

### Yakutat Forelands

The Tongass Land Management Plan recognized the area as the most diverse and productive fish and wildlife area in the Tongass, with the highest rankings for wilderness values and ecological diversity. The Alaska Department of Fish and Game (ADF&G) has rated the entire area as having the highest value habitat for both fish and wildlife as well as being a very important commercial, sport, and subsistence harvest area.

The Italio, Akwe, and Ustay-Tanis river systems together produce all five species of salmon and are especially productive of coho and sockeye. Peak escapements (the number of fish reported on their spawning grounds after surviving the commercial and subsistence fisheries) reported are 37,000 sockeye and 54,000 coho salmon. These systems are also good habitat for rainbow, steelhead, and cutthroat trout and for Dolly Varden. Brown bear, moose, mountain goat, wolves, marten, mink, land otter, beaver, bald eagles, trumpeter swans, sandhill cranes, and a myriad of other birds and small mammals are abundant in this diverse and productive ecosystem. The rare glacier phase of black bear occurs in the Ustay-Tanis area.

The local subsistence and commercial gillnetters benefit from the abundant salmon. The high quality of sport fishing on the Ustay, Italio, and Akwe rivers attracts approximately 1600 anglers from Yakutat, other areas of Alaska, the USA, and foreign countries providing significant income to the local economy (the average non-local angler spends about $550 per fishing trip). Hunting information is only available for the entire Yakutat Forelands, of which the proposed area comprises roughly 50 percent. The proposed area is an important area for moose hunting, an activity for which public demand far exceeds the level of opportunity, as well as brown and black bears and mountain goats. Trappers harvest marten, wolves, wolverine, beaver, and land otters. It is an important waterfowl hunting area for local residents.

### Berners Bay

The Tongass Land Management Plan rated the area as high for fish and moderate for estuarine resources. The ADF&G rated the area as high for fish and wildlife. The area is intensively used by residents of Juneau due to its close proximity, road access, and resource values.

The Berners, Lace, and Antler/Gilkey rivers are the major anadromous streams flowing into Berners Bay and produce four species of salmon as well as rainbow, steelhead, and cutthroat trout and Dolly Varden. The peak recorded escapements in these three systems combined are 13,300 coho, 4000 sockeye, 9100 chum, and up to 10,000 pink salmon. Brown bear, black bear, moose, wolves, mink, marten, land otter, beaver, and land and water birds are abundant in the area. Mountain goats and bald eagles are moderately abundant. Seals, sea lions, and whales are common in the bay.

The Berners Bay area is intensively used by sport fishers, moose, bear, and deer hunters, kayakers, hikers, and campers. The Berners River is used by the ADF&G as an indicator of the coho salmon production for the management of the northern southeast coho fishery.

Young Lake

The Tongass Land Management Plan rated the Young's Lake watershed and estuary as being of the highest productivity class for fish. The ADF&G rates the area as being of the highest value for fisheries, wildlife, and sport fishing. The proximity of the area to Juneau makes it an extremely popular recreation spot for fishing, hunting, beach combing, camping, and hiking.

Admiralty Creek and adjacent streams produce three species of salmon, with peak reported escapements of 90,000 pink, 10,000 chum, and several hundred coho. These drainages also produce substantial populations of steelhead and cutthroat trout, kokanee, and Dolly Varden. Admiralty Creek is important in the management of the commercial salmon fishery for the ADF&G has historically sampled the density of pre-emergent fry in the stream gravels to estimate the over-winter survival rate of salmon streams in the general area. Sitka black-tailed deer, brown bear, marten, mink, red squirrels, raptors, and waterfowl are abundant. Land otters and beaver are moderately abundant. Whales and seals are commonly observed in the nearshore waters.

The Young Lake area is near Juneau/Douglas and accessible by boat, skiff, floatplane, and wheel plane. The three Forest Service cabins in the drainage receive the highest use of any watershed on Admiralty Island. The area is intensively used in the spring for steelhead fishing and brown bear and grouse hunting. Summer use of the area includes fishing, picnicking, camping, hiking, and bird-watching. Autumn brings deer and duck hunters to the area. The area is one of the most popular deer hunting areas for Juneau/Douglas residents, with 1654 hunters harvesting 468 deer in the Young's Bay-Hawk Inlet area in 1987 (see attached map). The system is classified by the ADF&G as a quality watershed for sport fishing because of the quantity, quality, and diversity of resident and anadromous fish and the high level of recreational use.

## Lisianski River

The Tongass Land Management Plan rated the area as having the highest value for the production of salmon. The ADF&G ranked the area as the highest value for the quality of sport fishing and the production of salmon and trout and of moderate value for the production of wildlife. The fish produced in the Lisianski drainage supports a commercial fishery worth over a million dollars every year to fishermen. The area is used heavily by residents of Pelican for fishing, hunting, and general recreation.

The Lisianski River is one of the top five salmon producers in the region, with reported peak escapements of 220,000 pink, 5000 chum, 1500 coho, and 100 sockeye salmon. It also produces significant populations of rainbow, steelhead, and cutthroat trout and Dolly Varden. Brown bear, Sitka-black-tailed deer, marten, mink, land otter, bald eagles, waterfowl, and other old-growth forest species are moderately abundant.

Detailed information on hunting and fishing is not available for this small area, although it is important to the residents of Pelican for at least deer hunting (see attached map).

## Upper Hoonah Sound

The Tongass Land Management Plan rated the area as having moderate values for fisheries, with the exception of Paterson Creek watershed which was rated high value. The ADF&G considers the area a moderate producer of fish and wildlife and an important harvest area for the residents of Sitka.

Several drainages each produce over 50,000 pink, over 6000 chum, and up to 500 coho salmon in an average year. Most drainages also produce moderate populations of rainbow, steelhead, and cutthroat trout and Dolly Varden. The estuarine sedge-grass flats and salmon streams are brown bear concentration areas. Waterfowl concentrate on the sedge-grass flats during spring and fall migrations. The area supports moderate populations of Sitka black-tailed deer, marten, land otter, mink, wolves, bald eagles, nesting waterfowl, and other old-growth forest species.

Residents of Sitka use the area to harvest salmon, halibut, crabs, deer, and furbearers. In 1987, around 590 deer were harvested in the area by Sitka hunters in 1100 hunter-days.

## Goose Flats

The Tongass Land Management Plan rated the Goose Flats watershed as having moderately high fishery value and high estuarine resource values. The ADF&G rates the area as a moderate producer of fish and wildlife and as an important harvest area for the residents of Tenakee Springs.

All three drainages in the area each produce 10,000-50,000 pink salmon and over 6000 chum salmon in an average year and also support cutthroat trout and Dolly Varden. The extensive intertidal sedge-grass flats support spring concentrations of brown bear and spring and fall concentrations of migratory waterfowl. There are moderate populations of deer. Information on the population status of other species is lacking.

Tenakee Springs residents rely heavily on the area for the harvest of deer, waterfowl, furbearers, and shellfish.

## Kadashan River

The Tongass Land Management Plan rated the drainage the highest value for fisheries and estuarine resources. The ADF&G rated the area as the highest class for fish and wildlife production. It is an important harvest area for residents of Tenakee Springs as well as the basis for a large commercial fishery and non-local hunting and sport fishing. The ADF&G/U.S. Forest Service have monitored pink and chum salmon escapements into the Kadashan River since 1969 and the out-migration of the juveniles since 1977 to predict the run strength and manage the commercial salmon fishery in the general area. Since no other stream in northern southeast Alaska has this quality of data, maintenance of this drainage in its natural condition is very important to the management of the salmon fishery. Research has also been conducted in this drainage on coho salmon, deer, and brown bear.

Kadashan is one of the top five producers of pink salmon in southeast Alaska, with a peak recorded escapement of 282,000 and average escapement of over 130,000 fish. It is among the top ten chum salmon streams in southeast Alaska, with a peak recorded escapement of 66,000 and average escapement of 25,000 fish. Coho salmon escapement is estimated at 2000-4000 fish. The drainage also supports rainbow, steelhead, and cutthroat trout and very high numbers of Dolly Varden.

Kadashan has one of the largest estuarine sedge-grass flats and intertidal mud flats in northern southeast Alaska. This extremely productive habitat is a major nursery for Dungeness crabs, important herring spawning area, major spring and fall feeding and resting stop-over for migratory waterfowl, and brown bear concentration area during spring.

The Kadashan drainage supports one of the highest concentrations of brown bears in southeast Alaska. Deer, marten, mink, land otter, red squirrels, and bald eagles are also abundant. Large numbers of seals are attracted to the abundant salmon as they mill around the mouth of the river.

The commercial fishery based on Kadashan salmon is typically worth over a million dollars annually to fishermen. Residents of Tenakee Springs depend on the area for the harvest of deer, salmon, shellfish, and furbearers. The ADF&G classifies the Kadashan River as the highest quality for sport fishing.

## Trap Bay

The Tongass Land Management Plan rated the area as high value for estuarine resources and moderate value for fish production. The ADF&G rated the area as the highest value for wildlife and moderate value for fish. Hydrologic and fisheries research has been conducted in the area over the last decade.

The river which runs into Trap Bay supports moderate populations of coho, pink and chum salmon and Dolly Varden. Brown bear are abundant with spring concentrations on the estuarine sedge-grass flats and subalpine meadows and summer concentrations along the salmon streams. Although specific studies are lacking, the area is undoubtedly good habitat for other old-growth forest species.

Residents of Tenakee Springs depend on Trap Bay area for the harvest of deer (see attached map), waterfowl, and furbearers.

## Chuck River

The Tongass Land Management Plan rated the Chuck River watershed as the highest value for fish and moderately high for estuarine resources. The ADF&G rated The Chuck River drainage as the highest value for fish and the areas around Windham Bay, the lower Chuck River, and Endicott Arm as the highest value for wildlife. The area is popular both with tour boat operators and Juneau residents.

Chuck River is among one of the highest producers of pink salmon in southeast Alaska, with a recorded peak escapement of 220,000. It also supports good populations of the other four salmon species and rainbow, steelhead, and cutthroat trout and Dolly Varden. The area is good habitat for black bears and mountain goats.

The Chuck River supports a significant commercial salmon fishery worth around a million per year to fishermen. The area is hunted frequently by Juneau residents in pursuit of black bear and mountain goats. The coastal areas in Endicott Arm and Windham Bay are used by recreational boaters, fishermen, and charter boats.

## Calder-Holbrook

The Tongass Land Management Plan rated subareas within the boundary of the proposed area as moderately high to high value for fish and for estuarine values. The ADF&G rated the subareas as moderate for fish, with the exception of a high value for the Shipley drainage, and moderate to high for wildlife, with the highest values for the watersheds draining into Shakan Bay, Dry Pass, Tokeen Bay, and Shipley Bay. The area is important to the residents of Port Protection, Point Baker, Cape Pole, Edna Bay, Craig, and Klawock for the harvest of fish and wildlife.

There are many productive streams in the area supporting pink, chum, and coho salmon and rainbow, steelhead and cutthroat trout and Dolly Varden. Shipley and Sutter drainages also support sockeye salmon. The combined peak escapements for the more important streams in the area is 680,000 pink and 14,000 chum salmon. Herring spawn in Labouchere Bay. Dungeness crab rear in the area. Harbor seals are abundant and haulout in the Barrier Islands. Sitka black-tailed deer and black bear occur throughout the area in moderately high density. Black bears and migratory waterfowl concentrate on the estuarine sedge-grass flats at the head of Calder Bay. Bluff Island is a seabird colony and a harbor seal haulout. Protection Head is a seabird colony. Waterfowl concentrate in Dry Pass, Shakan Strait, and Tokeen Bay.

Residents of Point Baker, Port Protection, Cape Pole, Edna Bay, Klawock, and Craig use the area for the harvest of deer, salmon, furbearers, geoducks, crab, waterfowl, and other resources. Shipley Creek is intensively fished by Port Protection residents for sockeye salmon. Point Baker residents gillnet salmon in Shakan Strait. Residents of Klawock trap throughout Tokeen Bay. Commercial salmon fishing and crabbing occurs throughout the area.

## Karta River

The Tongass Land Management Plan rated the Karta watershed as the highest value for fish. The ADF&G considers the Karta drainage to be one of the most productive anadromous fish systems on Prince of Wales Island, as well as having the highest values for wildlife. The area is very important for fishing and hunting to local residents as well as non-resident sport fishers.

The peak recorded escapements to the Karta River are 136,000 pink, 42,000 sockeye, and 41,000 chum salmon. The drainage also supports rainbow trout, spring and fall runs of steelhead, cutthroat trout, and Dolly Varden. The Karta River watershed is an extremely productive and diverse area. Black bear, furbearers, waterfowl, and other birds are abundant. There are moderate populations of deer, wolves, bald eagles, and marine mammals. The area is important for Trumpeter swans in the winter. The estuary is a rearing area for shrimp and dungeness crab and a herring spawning area.

There is an excellent trail system linking the series of lakes from salt water up to the highest lake. The area is a very popular area for bear hunting, trapping, sport fishing, and subsistence sockeye fishing by residents of Kasaan. The Forest Service considers the Karta drainage to be one of the top two recreation areas on the south Tongass.

## Noyes-Lulu-Baker Islands

The Tongass Land Management Plan rated the islands as moderate to moderately high value for fish and estuarine resources. The ADF&G rated the area as moderate for wildlife and low for fisheries production. The islands are in the midst of a major commercial fishing ground that provides fishermen with over $16 million a year and are important for the harvests of fish and wildlife for residents of Craig and Klawock. These dramatic outer-coast islands are also becoming increasingly popular with tourists.

The islands' anadromous fish streams support pink and chum salmon. The two largest systems each produce 10,000-50,000 pinks, with one system also producing more than 6000 chum salmon a year and the other system producing up to 6000 chum salmon. Marine mammals are abundant along the coast, including sea otters, sea lions, and humpback whales. The islands also support deer and wolves.

Residents of Craig and Klawock use the islands to harvest salmon, other finfish, shellfish, seals, and deer. The commercial purse seining fleet, along with the associated fish buyers, packers and processors, depend on the safe anchorages provided by these islands which could be jeopardized by log storage in the limited areas of safe anchorage.

## Nutkwa River

The Tongass Land Management Plan rated the drainage as high value for fish and estuarine resources. The ADF&G rated the area as high value for fish and wildlife. The fishery production makes the area extremely important to the commercial salmon industry and the residents of Hydaburg.

The Nutkwa system, with its large, shallow salt chuck, is an exceptional producer of pink salmon, with a peak recorded escapement of 215,000, and a major producer of sockeye, with a peak escapement of 1400. It also produces chum and coho salmon as well as rainbow, steelhead, and cutthroat trout and Dolly Varden. The salt chuck is important habitat for marine mammals and waterfowl, including trumpeter swans.

Senator WIRTH. Mayor Gregory.

## STATEMENT OF RALPH C. GREGORY, MAYOR, KETCHIKAN GATEWAY BOROUGH

Mr. GREGORY. Thank you, I appreciate the opportunity to address your organization this morning and good morning and welcome to Ketchikan.

I came to southeast Alaska twenty-three years ago on a working vacation. Like many others, I stayed and raised a family here because the level of economic activity allowed a working man to make a living wage. I believe that the Ketchikan Gateway Borough and Prince of Wales Island, with a combined population of seventeen thousand, has the most vibrant economy in the state. This is no accident but is due to a multiple-use balance which has emerged among the basic industries of timber, fishing, tourism and mining. To keep this reasonable level of economic activity we must maintain equal access to natural resources.

During this session of Congress, legislators will consider bills which could dramatically alter this economic balance. As debate proceeds in Washington, D.C. to re-structure access to the Tongass, my community is torn apart by the debate. Loggers believe that soon there could be no place for them to work. Fishermen are told that they must take a stand against timber harvesting to assure survival of their industry. Miners worry about reaching their claims and tour operators are caught somewhere between.

The Tongass contains over 16 million acres, half the coastline of the entire United States, and yet only 64,000 persons live here. This vast expanse of land is both a blessing and a curse. On the one hand, wilderness is available to anyone; on the other, the outstanding natural beauty of the area invites congressional intervention.

Federal legislation to re-allocate resources must be done carefully. Multiple-use management of the Tongass is successful where it has been fully implemented. For example the Ketchikan Region allows all four industries to exist in close proximity and to share access to resources. This may be the one area in the southeast where it is possible to experience a life of relative simplicity and solitude with reasonable social contact and access to most basic services and work opportunities.

Multiple-use means that industries are working side by side. These industries demand and have produced the transportation, utility and supporting infrastructure to meet their combined needs. Participation by each spreads the costs of maintenance and operation over a broader base. For example, cruise vessels and fishing processing ships all tie up at the same dock and some 25,000 RVs travel scenic wilderness roads, roads provided by the timber industry.

In the Tongass we have an inter-dependent, fragile economy. Legislation should not weaken this fabric. It should be crafted to avoid starting a chain reaction which would result in multiple-use areas becoming one-industry towns.

Right now people still come to southeast Alaska on vacation and many stay to work. Some put down permanent roots. I hope Congress can see these trees in the forest.

Senator **Wirth**. Thank you very much, Mayor Gregory.

Mayor Ferry.

## STATEMENT OF TED FERRY, MAYOR, CITY OF KETCHIKAN

Mr. **Ferry**. Thank you, Senator.

My name is Ted Ferry and I am Mayor of the City of Ketchikan and I have lived here a little longer probably than most people, about 65 years, so I do believe I know the working people of the area.

I am here today because of concern of a great many of our citizens regarding proposed changes of 705 of ANILCA. Our area cannot afford the loss of one more job.

Ketchikan can accurately be described as a city bigger than it really is. We serve as the transportation hub of southern southeast Alaska. We are also the provider of human services for our region. Ketchikan has taken the lead to ensure that all southeasterners have available services and opportunities that many of the small towns in our area do not offer. We are the First City. We are neither a company town, a fishing village or a tourist destination. We are and want to continue as a contributing user of the Tongass providing wood products to the nation and the world, a fishing port producing quality seafood and a place where people from all walks of life can come to visit and enjoy the majesty of the Tongass and our local brand of Alaskan hospitality.

A factor of great concern is what happens to individuals and families when permanent loss of jobs occur. We in local government are often the first to deal with this problem. Erosion of employment, whether it be fishing, mining or timber, leads to increases in what are already major social problems. Human Resource Services and Public Safety Agencies are called upon to deal with increases in alcoholism, domestic violence, child abuse and yes, even some cases of suicides. I am certain you are aware that loss of our Federal and State Revenue Funds have compounded these problems.

Although my concerns include the broader issues and problems my immediate purpose in testifying is to see that Ketchikan and southeast Alaska are understood and continue as I feel they must.

After every cycle of boom and bust the analysts probe for cause and effect, but whether positive or negative we should learn from the experience. Anchorage, the state's largest city, only recently has begun to recover from recession. It was not so long ago that the city of Seattle and Boeing had hard times. In both of these instances basic employment was down approximately five percent and considered by most as having a severe impact. The loss in Ketchikan and in southern southeast Alaska if Senator Wirth's bill, S. 346, is enacted, may be as high as 28 percent.

Again, thank you for letting me come here this morning and I would like to enter my full testimony in the record.

Senator **Wirth**. It will be included in the record. Thank you Mayor Ferry.

[The prepared statement of Mayor Ferry follows:]

## STATEMENT OF TED FERRY
## MAYOR, CITY OF KETCHIKAN
## BEFORE SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS
## APRIL,24,1989

Members of the Subcommittee, my name is Ted Ferry, Mayor of the City of Ketchikan. I have been a local resident sixty-five (65) years.

I am here today because of concern of a great many of our citizens regarding proposed changes of 705 of ANILCA. Our area can not afford the loss of one more job.

Ketchikan can accurately be described as a city bigger than it really is! We serve as the transportation hub of Southern Southeast Alaska. We are also the provider of human services for our region. Ketchikan has taken the lead to insure that ALL Southeasterners have available, services and opportunities that small towns simply cannot offer. We are the FIRST CITY We are neither a company town, a fishing village nor a tourist destination. We are and want to continue as a contributing user of the Tongass providing wood products to the nation and the world, a fishing port producing quality seafood and a place where people from all walks of life can come to visit and enjoy the majesty of the Tongass and our local brand of Alaskan hospitality.

A factor of great concern is what happens to individuals and families when permanent loss of jobs occur. We in local government are often the first to deal with this problem. Erosion of employment, (fishing, mining, timber) leads to increases in what are already major social problems. Human Resource Services and Public Safety Agencies are called upon to deal with increases in alcoholism, domestic violence, child abuse, and suicides. I am certain you are aware that loss of Federal/State revenue funds compounds [illegible]se problems.

Although my concerns include the broader issues and problems of Alaska and the Nation, my immediate purpose in testifying is to see that Ketchikan and Southeast Alaska are understood and continue as I feel they must.

After every cycle of boom and bust the analysts probe for cause and effect, but whether positive or negative we should learn from the experience. Anchorage, the state's largest city only recently has begun to recover from recession. It was not so long ago that we cannot remember the cutbacks at Boeing in Seattle and the hard times they suffered. In both these instances basic employment was down approximately 5% and considered by most as having a severe impact. The loss in Ketchikan and in Southern Southeast Alaska if Senator Wirth's bill (S-346) is enacted, [redacted]. It is my firm conviction that such a loss could not be mitigated, nor in the mid-term supplanted by jobs in other sectors of our economy.

Many of the social services and educational opportunities so necessary to attract qualified professionals and families will be lost. Our school system currently attracts and retains quality teachers and administrators who in turn have developed a challenging curriculum overcoming obstacles and circumstances. The local tax and wage structure is a sensitive balance. I can not overemphasize the importance of this city to the region.

Our mutual responsibilities are to foster and clarify a balanced use mission of the Tongass National Forest; recognize the importance of clean air and water, timber harvesting and processing, commercial fishing, mining, subsistence, tourism, sport fishing, hunting, and outdoor recreation. It is important that federal funds be appropriated on an annual basis to ensure a multiple use mission and to carry out an intensive management program. Additions and improvements of logging roads have increased recreation and tourism opportunities where little existed before. These benefits have enhanced our quality of life, and certainly address the concept of multiple use.

I thank the committee for the opportunity to appear today and for coming to hear, first hand, from a broad cross section of people living a diverse life style.

The bottom line!

**NO MORE WILDERNESS**
**NO LOSS OF JOBS**

Thank you.

Ted Ferry

Ted Ferry
Mayor

# STATEMENT OF TED FERRY
# MAYOR, CITY OF KETCHIKAN
# BEFORE SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS
# APRIL 24, 1989

Members of the Subcommittee, my name is Ted Ferry, Mayor of the City of Ketchikan. I have been a local resident sixty-five (65) years.

I am here today because of concern of a great many of our citizens regarding proposed changes of 705 of ANILCA. Our area can not afford the loss of one more job.

Ketchikan has experienced two declines in economic activity since 1980, of which the one in 1984 was the more pronounced. The decline in employment in the "Forest Products Industry" was a major factor.

The set back in 1984 included a six (6) month shutdown (June to December) of our local pulp mill. This period also continued the closure of Ketchikan Spruce Mill (local lumber mill).

SUMMER UNEMPLOYMENT 1984

| | |
|---|---|
| JULY | [redacted] |
| AUGUST | 13.3 |
| SEPTEMBER | 13.3 |

SUMMER UNEMPLOYMENT 1986

| | |
|---|---|
| JULY | [redacted] |
| AUGUST | 6.5 |
| SEPTMEMBER | 7.5 |

Much of the 1986 improvement in employment was due to a healthier forest products industry. I call your attention to this very close relationship between the timber [redacted] well being and the [redacted] it provides.

Unemployment for January this year was 14.7% and February 13.0%. I ask you what this percentage might be if our people are permanently denied jobs.

A factor of great concern is what happens to individuals and families when permanent loss of jobs occur. We in local government are often the first to deal with this problem. Erosion of employment, (fishing, mining, timber) leads to increases in what are already major social problems. Human Resource Services and Public Safety Agencies are called upon to deal with increases in alcoholism, domestic violence, child abuse, and suicides. I am certain you are aware that loss of Federal/State revenue funds compounds these problems.

Thousands of people now go to Prince of Wales Island to fish, hunt, camp, and to just get away from it all. For most of us this was not possible prior to additions and improvements of logging roads. Recreation and Tourism opportunities opened where little existed before. These benefits have enhanced our quality of life, and certainly address the concept of multiple use.

There are those who state "an impossible situation exists and is beyond the ability of the Forest Service to solve". We are not in an impossible situation, and the Forest Service can and does solve problems.

During construction of the Swan Lake Hydro project (22 MW. $100,000,000) we had the opportunity to work with Forest Service personnel on environmental, recreation and stumpage costs. These people were fair, most capable, and over time an excellent relationship developed. The results were a project completed on time and under budget that will serve our areas long range interests. CREDIT must be given to this agency for its constructive review of this major project in an environmentally sensitive area.

Our mutual responsibilities are to foster and clarify a balanced use mission of the Tongass National Forest. Recognize the importance of clean air and water, timber harvesting and processing, commercial fishing, mining, subsistence, tourism, sport fishing, hunting, and other outdoor recreation. It is important that federal funds be appropriated on an annual basis to ensure a multiple use mission and to carry out an intensive management program.

I thank the committee for the opportunity to appear today and for coming to hear, first hand, from a broad cross section of people living a diverse life style.

The bottom line!

NO MORE WILDERNESS

NO LOSS OF JOBS

Thank you.

Ted Ferry
Mayor

**TESTIMONY OF THE HONORABLE TED FERRY**
**MAYOR OF THE CITY OF KETCHIKAN, ALASKA**
**Given before the United States Senate Energy Subcommittee on Public Lands, National Parks and Forests**

**April 24, 1989**

Ketchikan can accurately be described as a city bigger than it physically is! A strange statement but let me explain. We serve as the transportation hub of Southern Southeast Alaska and for approximately half of the Tongass National Forest, the nations largest. We are also the provider of human services for our region many of which are normally found only in much larger cities. Hospital and medical care (e.g. many counties in the western states have had to combine resources to provide such care while having three or more cities in each county with populations larger than Ketchikan and combined populations many times greater than our 13,000 residents). Youth programs, social services, police and fire support, recreation and on it goes. In each instance our community has taken the lead to insure that ALL Southeasterners have available these services and opportunities that a typical small town simply cannot offer. We are the First City. We are neither a mill or company town, a fishing village or a tourist destination. We are and want to continue as a contributing user of the Tongass providing wood products to the nation and the world, a fishing port producing quality seafood and a place where people from all walks of life can come to visit and enjoy the majesty of the Tongass and our local brand of Alaskan hospitality. We even encourage those with the pioneer spirit and webbed feet to stay and be part of us.

Although my concerns include the broader issues and problems of Alaska and the Nation, my immediate purpose in testifying today is to see that Ketchikan and Southeast Alaska are understood and continue as I feel they must.

After every cycle of boom and bust the analysts probe for cause and effect. Regardless of the source, it was change for good or for worse. The effects may have been mixed, but whether positive or negative we should learn from the experience. Anchorage, the state's largest city only recently has begun to recover from recession. It was not so long ago that we cannot remember the cutbacks at Boeing in Seattle and the har  times they suffered. In both these instances basic employment was down approximately 5% and considered by most as having a severe impact. The loss in Ketchikan and in Southern Southeast Alaska if Mr. Wirth's bill is enacted could be as high as 28%. It is my firm conviction that such a loss could not be mitigated, nor in the mid-term supplanted by jobs in other sectors of our economy.

The City of Ketchikan has recently embarked on a major hospital expansion for which we have bonded indebtedness. Many of the social services and educational opportunities so necessary to attract qualified professionals and families will be lost. Our school system currently attracts and retains quality teachers and administrators who in turn have developed a challenging curriculum overcoming obstacles and circumstances.

To have created an environment on an island in a rain forest where even travel is sometimes limited and still give our community and its citizens the American dream is what is truly unique and what we ask you to help us preserve.

Those who say "no logging" are as unreasonable as those who would clearcut Alaska, although I have never met anyone who advocated that. I cannot imagine a 4th of July without the timber festival and logging events. I am not sure that visitors would find Southeast Alaska as attractive without the men and women of timber. The economy of our region would lose a basic timber job earning $17.00 and try to replace it with a $10.00 service job.

The local tax and wage structure is a sensitive balance and I cannot overemphasize the importance of this city and its services to the region. If help is not here, then one must go to Seattle. Driving to a city such as Denver to see a doctor can take several hours and cost the price of gasoline. For a Southeasterner it can mean being away from home for several days and cost the price of an airline ticket to Seattle $427.08.

Move ever so slowly and support our industry in balance.

Senator **Wirth**. Adrian LeCornu.

## STATEMENT OF ADRIAN LeCORNU, MAYOR, CITY OF HYDABURG

Mr. **LeCornu**. Good morning.

My name is Adrian LeCornu and I am the Mayor of the City of Hydaburg.

The City of Hydaburg has a population of 456 people, 86 percent of whom are of Haida ancestry. The community is located approximately 46 miles west of Ketchikan.

Hydaburg was founded in 1911 when three Haida villages consolidated to embark upon the plan devised by the Bureau of Education. This four-part plan intended to: one, recast the Haidas in roles as American citizens; two, create a model progressive village upon what was known as the Metlakatla Plan; three, set aside an area of land for the exclusive use of Haida, and four, to develop a modern industrial economy based on the fisheries and the timber resources.

We have not realized the dreams of our forebears and the Metlakatla Plan has not materialized for the Haida.

The City of Hydaburg supports the changes proposed in Senator Wirth's bill. In addition, the City supports the protection and preservation of the Nutkwa Inlet, an area extremely important to our people for subsistence and recreational use and we support the protection of the outside islands, tradition Haida lands. Two, we support the provisions of the Haida Land Exchange Act which would allow Haida Corporation to receive lands such as those in the Sulzer-Portage Area.

Three, we support the protection of the City of Hydaburg's watershed by authorizing exchanges between the regional corporations and the State of Alaska.

The number of people in Hydaburg working in the timber industry is very small. When we look at those signs around town which say support our timber industry it brings home the fact that the timber industry is theirs and not ours. Hydaburg has come to believe that the Forest Service and the timber industry would rather not have Hydaburg participating in the promises of these long-term contracts.

We agree with those who have said that the current management regime in the Tongass National Forest is a relic of a bygone era. The dependent industry has shown time and again that is not concerned with the local economy of southeast, nor with long-term jobs for their workers. Those interested have only to review the Reid Brothers antitrust case and the recent complaint brought to the National Labor Relations Board against Alaska Lumber and Pulp.

Thank you for the opportunity to testify today.

Senator **Wirth**. Thank you, Mayor LeCornu. Again, I appreciate the efforts that all of you are making to stay within the limit and it makes it easier on everybody else all day long.

Mr. Taylor.

## STATEMENT OF ROBIN TAYLOR, ALASKA STATE HOUSE OF REPRESENTATIVES

Mr. **Taylor**. I am Robin Taylor, Representative of State House District 1A——

Senator **Wirth** [interrupting]. Where do I get a shirt like that?

Mr. **Taylor**. I will give you this one off my back if you put this bill through. [Applause.]

Senator **Wirth**. You ought to run for public office, Mr. Taylor.

Mr. **Taylor**. That is why I have already been elected for three terms and also the Minority Leader in the House of Representatives in Alaska and a 28-year resident of this Congress. My children went to this school and my children were born in this community.

As a fellow politician I am aware of the political realities that face me and my District today. I know that the rhetoric of emotional demagogues and the mantra chanted by their mesmerized followers has been accepted as gospel by certain of your colleagues who have introduced this legislation to excite this lynch mob mentality. In such a situation, facts become meaningless and creative fiction backed up by an environmental poll will carry more political weight than all of these good people testifying today before the Senate and asking you to leave their economy alone.

If I cut down one tree on your federal barony I can be thrown into a federal jail. That is true. Just like the American colonists two hundred years ago we Alaskan peasants know our place. We know who owns the King's Land which surrounds us. Two hundred years ago King George fooled the American colonies and those pioneers and peasants begged and pleaded, they cajoled and attempted to curry favor and from my reading of history they were about as successful as we Alaskans have been with Congress for the last twenty years.

We have to beg Congress to even come and look at its forest. Naively we believe that you cannot deny that which you have seen with your own eyes. Two years ago several of your colleagues toured the Tongass with me. I was shocked by their comments in the press. Obviously, showing the Tongass to environmental politicians is like explaining and showing Jane Fonda a nuclear reactor. We sincerely appreciate that you have come here today to honestly listen, look and learn. To each of you we are grateful, for we know that you will not deny the overwhelming evidence of good stewardship that is obvious on the Tongass.

The Wrangell sawmill is the largest in Alaska and it would be one of the first victims of Senator Wirth's bill. The last time that mill closed we witnessed the effects of fifty-two percent unemployment for over a year. I watched friends lose their homes and move away. No eagle had to move his nest; his home was protected by the same arbitrary federal laws that will put my friends out of work and destroy their lives.

Just like our colonial forefathers, we peasant inhabitants of your Alaskan Preserve beg you to let us survive. If you flew over one hundred miles north or south of this auditorium you would still be in my district and still in the Tongass. Are my friends and neighbors asking too much when we beg you to allow us to use one-tenth of one percent of this land each year to live on? We know you will not let us build a home there, and we know that we will never be able to buy even one acre of it, but could we just be allowed to work there? After one hundred years, over ninety percent of it will still be untouched.

Until we see your votes on this bill we will not know if you came as friends or as inquisitors searching for truth on a fraudulent indictment. Sadly today some well-meaning folks will suggest a generous compromise, naively hoping that by giving the sponsor a major portion of what they think is desired that maybe Congress will accept the compromise and leave us alone. We veterans of the Tongass know all too well that the environmental extremists will not be satisfied as long as people inhabit the Tongass.

I will cut my remarks off at that point. Thank you. [Applause.]

Senator WIRTH. The Chair would remind those at the hearing that they are here as guests of the committee and guests of the Senate and the Rules of the Senate, the involvement of the committee is not welcome and we want to get through this hearing as much as possible—I realize that this is an issue of great emotional concern to many but I think that maintaining the processes of the Committee is a way which would be always observed.

[The prepared statement of Mr. Taylor follows:]

## Statement of Representative Robin Taylor
## for the
## Senate Energy and Natural Resources Committee
## Subcommittee on Public Lands, National Parks and Forests
## April 24, 1989 in Ketchikan, Alaska

I am Robin L. Taylor, Representative of State House District 1A, and a twenty-eight year resident of your Tongass National Forest. As Minority Leader in the Alaska House of Representatives, and as a fellow politician, I am aware of the political realities that face me and my District today. I know that the rhetoric of emotional demagogues and the mantra chanted by their mesmerized followers has been accepted as gospel by certain of your colleagues who have introduced this legislation to excite this lynch mob mentality. In such a situation, facts become meaningless and creative fiction backed up by an environmental poll will carry more political weight than all of these good people obsequiously begging the Senate to leave them and their economy alone.

If I cut down one tree on your federal barony I can be thrown into a federal jail. It's true. Just like the American colonist two hundred years ago, we Alaskan peasants know our place. We know who owns the king's land which surrounds us. Two hundred years ago, King George ruled the American colonies and those pioneers and peasants begged and pleaded, they cajoled and attempted to curry favor — and from my reading of history they were about as successful as we Alaskans have been with Congress for the last twenty years.

We have to beg Congress to even come and look at its forest. Naively we believe that you cannot deny that which you have seen with your own eyes. Two years ago several of your colleagues toured the Tongass with me. I was shocked by their comments in the press. Obviously, showing the Tongass to environmental politicians is like explaining and showing Jane Fonda a nuclear reactor. We sincerely appreciate that you have come here today to honestly listen, look, and learn. To each of you we are grateful, for we know that you will not deny the overwhelming evidence of good stewardship that is obvious on the Tongass.

The Wrangell sawmill is the largest in Alaska and it would be one of the first victims of Senator Wirth's bill. The last time that mill closed we witnessed the effects of fifty-two percent unemployment for over a year. I watched friends lose their homes and move away. No eagle had to move his nest. His home was protected by the same arbitrary federal laws that will put my friends out of work and destroy their lives.

Just like our colonial forefathers, we peasant inhabitants of your Alaskan preserve beg you to let us survive. If you flew over one hundred miles north or south of this auditorium you would still be in my district and still in the Tongass. Are my friends and neighbors asking too much when we beg you to allow us to use one-tenth of one percent of this land each year to earn a living on? We know you won't let us build a home there, and we know that we will never be able to buy even one acre of it, but could we just be allowed to work there? After one hundred years, over ninety percent would still be virgin wilderness. Is that too much to ask?

Until we see your votes on this bill we will not know if you came as friends or as inquisitors searching for "truth" on a fraudulent indictment. Sadly today some well-meaning folks will suggest a generous compromise naively hoping that by giving the sponsor a major portion of what they think is desired that maybe the Congress will accept the compromise and leave us alone forever. We veterans of the Tongass know all too well that the insatiable appetite of the environmental extremist will not be satisfied as long as people inhabit the Tongass.

You statesmen of the Senate can stop this human tragedy by outright rejection of the Wirth bill, S.346. Political compromise means economic disaster for the people of the Tongass. My legislative colleagues and I represent 12,000 registered voters who live and work in the Tongass. It is on their behalf that we ask your consideration today.

Senator WIRTH. Cheri Davis.

## STATEMENT OF CHERI L. DAVIS, ALASKA STATE HOUSE OF REPRESENTATIVES

Ms. DAVIS. Thank you.

I am here representing myself, not myself but Senator Lloyd Jones who is unable to be here. He is in Juneau fighting for our ferry system, which is another vital issue to this area. I will submit his testimony for the record also, in addition to mine and thank you for the opportunity to testify on the future of the Tongass National Forest.

Thirteen years ago, this July, I came to the Ketchikan High School Auditorium to testify before the Environmental Protection Agency and members of Congress about the need for jobs in Ketchikan. At that time I was a young housewife with three small children, an unemployed husband and no political background whatsoever.

I was simply a concerned citizen. At that time we were in danger of closing down an industry that is vital to this area. Again, I appear in the Ketchikan High School Auditorium, my children are older, my husband is employed and I have become somewhat involved in politics. However, the issue has not changed? I am here to discuss the future of the Tongass National Forest and the timber industry it supports.

I believe that outside of our state there is a perception that Alaskans are more concerned with the money than with our environment. I disagree. I live in Alaska primarily because of the beauty of our state. In order to live here however we must have jobs. The timber industry in the Tongass employees 4,000 people directly and indirectly. If this industry is shut down by decisions made in Washington, D.C., who will provide these jobs?

I believe that Alaskans can best decide Alaska's fate and I am fascinated by campaigns of congressmen in New York and Colorado which focus on improving someone else's state. I cannot imagine winning my campaign if I were to have a platform of what I am going to do to improve Juneau.

When any new development is proposed in our state, we are required to do an E.I.S.—Environmental Impact Statement. I would like to propose that if Congress contemplates changes in the management of the Tongass that we request an Economic Impact Statement. If the legislation you pass is too restrictive to allow the pulp companies to continue to operate, then I propose that we adopt a slogan modeled after a billboard seen outside of Seattle years ago: "Will the last person leaving southeast Alaska please turn out the lights?"

Thank you very much.

Senator WIRTH. Thank you very much, Ms. Davis.

[The prepared statements of Ms. Davis and Senator Jones follow:]

# TESTIMONY ON THE TONGASS NATIONAL FOREST

Representative Cheri L. Davis
P.O. Box 5723
Ketchikan, AK  99901
(907) 225-6304

**ALASKA STATE LEGISLATURE**

ELECTIVE DISTRICT 1
HYDER
KETCHIKAN
KUPREANOF
MEYERS CHUCK
PETERSBURG
SAXMAN
WRANGELL

HOME
P.O. BOX 5723
KETCHIKAN, AK 99901
PHONE 225-6304

DURING SESSION
P.O. BOX V
STATE CAPITOL BUILDING
JUNEAU, AK 99811
PHONE 465-3424

Representative Cheri L. Davis

Good morning, I appreciate the opportunity to testify on the future of the Tongass National Forest.

Thirteen years ago, this July, I came to the Ketchikan High School Auditorium to testify before the Environmental Protection Agency and members of Congress about the need for jobs in Ketchikan. At that time, I was a young housewife with 3 small children, an unemployed husband and no political background whatsoever. I was simply a concerned citizen.

At that time, we were in danger of closing down an industry that is vital to this area. Again, I appear in the Ketchikan High School Auditorium. My children are older. My husband is employed and I have become somewhat involved in politics. However, the issue has not changed. I am here to discuss the future of the Tongass National Forest and the timber industry it supports.

I believe that outside of our state there is a perception that Alaskans are more concerned with money than with our environment. I disagree. I live in Alaska primarily because of the beauty of our state. In order to live here, however, we must have jobs. The timber industry in the Tongass employees 4,000 people directly and indirectly. If this industry is shut down by decisions made in Washington, D.C., who will provide those jobs?

I believe that Alaskans can best decide Alaska's fate. I am fascinated by campaigns of congressmen in New York and Colorado which focus on improving someone else's state! I cannot imagine winning my campaign if I were to have a platform of what I'm going to do to improve Juneau!

When any new development is proposed in our state, we are required to do an E.I.S.--Environmental Impact Statement. I'd like to propose that if Congress contemplates changes in the management of the Tongass, that we request an Economic Impact Statement!

If the legislation you pass is too restrictive to allow the pulp companies to continue to operate, then I suggest that we adopt a slogan, modeled after a billboard seen outside of Seattle years ago:

"WILL THE LAST PERSON LEAVING SOUTHEAST
ALASKA, PLEASE TURN OUT THE LIGHTS?"

## TONGASS

## FACTS

16.7 million acres in Alaska's Tongass National Forest.

5.5 million acres in Alaska's Tongass National Forest is wilderness.

Of the 16.7 million acres, only 5.7 million acres are considered "commercial."

--"Commercial" means biologically suited for growing and harvesting timber.

Of the 5.7 million acres of commercial timber land, 1.7 million acres is wilderness, 2.3 million acres is either prime recreation area, critical wildlife habitat or sensitive fisheries streams, leaving only 1.7 million acres that can be harvested. Of this 1.7 million acres targeted for harvest, only 1% is scheduled for harvest in any given year.

Forest industry jobs pay 25% more than the average job in Alaska.

A payroll of $159 million for direct employees of the industry.

---

The above information cited in "Keeping Alaska Alaska," Alaska Loggers Association, 111 Stedman St. Ketchikan.

## STATEMENT OF
## SENATOR LLOYD JONES
## SENATE DISTRICT A

**Before the**
**Subcommittee on Public Lands, National Parks and Forests**

**April 24, 1989**

Mr. Chairman and Members of the Subcommittee:

Thank you for the opportunity to present my views on the various Tongass Timber Reform bills. You have heard, and will continue to hear, the pros and cons of wilderness versus development in Alaska. The subject is certainly in the limelight these days. I ask you to put aside what you have read and heard in the national media and concentrate on the testimony you will hear today. These are the people whose livelihoods will be affected by your decisions.

According to the Alaska Department of Labor, there is an average of 3,450 direct jobs in the timber industry. This is a conservative number and does not include the self-employed in the industry or transportation firms directly tied to logging.[1]

Many people come to Alaska for its unique beauty. The state is also a land of rich natural resources. Producing these resources is a way of life, and you'll find loggers and fishermen who'll fight very hard to keep this lifestyle. I believe protecting these jobs is as important as protecting our natural beauty. I contend we can do both. Without jobs these communities, Ketchikan,

---

[1] The Alaska Loggers Association estimates there are 4,538 people working in the Tongass National Forest. That includes 1,835 loggers, 415 sawmill workers, 834 pulp mill workers and 100 road construction workers. In addition, there are 963 native corporation jobs, 95 jobs in the towing industry and 296 longshore jobs.

Wrangell, Petersburg, Hyder, Myers Chuck, Sitka, built on the last frontier, would become ghost towns.

The State of Alaska has seen hard economic times in recent years. But here in Southern Southeast, residents continue to remain relatively stable. The diversity of jobs in the area is a big factor. Fishing, mineral development, timber, and tourism depend on the natural resources found here. These industries drive the economy in Southern Southeast. Each contributes to the economic pie. If one industry topples, the pinch is felt everywhere, especially if families move, in search of new employment. The loss of jobs is felt in the decrease of the town's tax base, school population, housing market, all the way down to the volume of groceries bought and sold in the supermarket. The towns in Southern Southeast Alaska are already small. It only takes the loss of a few jobs to upset the apple cart.

Congress passed the Tongass Timber Act in 1947 authorizing timber sales in the Tongass National Forest. This was done to provide year-round employment in Southeast Alaska. In 1971, when Congress passed the Alaska Native Claims Settlement Act, it sought to increase jobs in the timber industry in Southeast Alaska by allowing the selection of 23,000 acres of land from the Tongass National Forest by Native villages, and over 250,000 acres of commercial forest land by Native Regional Corporations. In 1976, Congress reaffirmed its commitment to maintaining timber jobs in the Tongass National Forest when it passed the National Forest Management Act. Further, the clear intent of Congress when it passed Sec. 705 of ANILCA was to maintain employment in the timber industry at the same level as before the passage of the act.

While I personally support Senator Murkowski's bill over Congressman Mrazek's or Senator Wirth's, I caution the committee to go slow. Please do not be pressured by the emotionalism that surrounds this issue. The Draft TLMP EIS is up for public consideration in December 1989. I urge you to put off any Congressional action until after the Tongass Land Management Plan Revisions are reviewed. Under this process, the Forest service can construct alternative land use proposals for Congress to consider after there is considerable public input and an Environmental Impact statement is completed. Thank you.

Senator WIRTH. Mr. Sebastian.

## STATEMENT OF JOSEPH SEBASTIAN, REPRESENTING THE POINT BAKER COMMUNITY ASSOCIATION

Mr. SEBASTIAN. My name is Joseph Sebastian and I am here in behalf of The Point Baker Community Association. We still live the traditional Alaskan way of life, living close to the land and earning our livelihood from the ocean as commercial fishermen. Our experience with the United States Forest Service has led us to have little or no faith in their ability to chart a new course for the Tongass; neither do we have one iota of confidence in the phony U.S. Forest Service team provision. The U.S. Forest Service is not known locally and as double-talkers good only for timber roads and timber extraction.

Likewise as 237 is not a real solution to the Tongass problems either and we wholeheartedly support S. 346.

We also request permanent protection for the areas listed in S. 346. These priceless areas of course are full of fish and wildlife that we depend on and once cut down cannot be re-created by man at any price. The far-flung nature of these 23 areas gives every community in southeast Alaska a piece of local wildlife to protect their traditional Alaskan lifestyles.

Permanent protection is a must. The efficiency of the modern industrial timber industry can log off all these lands in a blink of a decade and the ten years on North Prince of Wales Island LPK has all but logged the best of the timber and is going for the rest.

Due to the 50-year contracts and the phony attitude of the United States Forest Service we have been helpless to stop the industrial carnage taking place around Point Baker. Areas like Calder-Holbrook are important to preserving wildlife and assist the habitat that we and others depend on to feed our families. There are areas like South Kuiu Island and the Calder-Holbrook Wildlife Corridor and the Outside Islands where they can find shelter in these lonely remote areas. South Kuiu is also important in migratory wildlife and it's a true wilderness in the fullest sense of the word. If not protected the United States Forest Service will have another deficit timber sale and the price of business will be a sale that is centered in Japan.

The Outside Islands are important to many Point Baker Fishermen who travel there to fish seasonally and the Point Baker Community Association begs Senator Wirth to permanently protect these 23 national treasures with the wilderness or likewise protected measures. The value of these wild lands and their fish and wildlife habitat far outweigh the dollar value of the wood fibre on these lands. A living breathing ecosystem and balance with Alaska wildlife and weather is what we need to keep alive the Alaskan dream and the wilderness spirit of southeast Alaska.

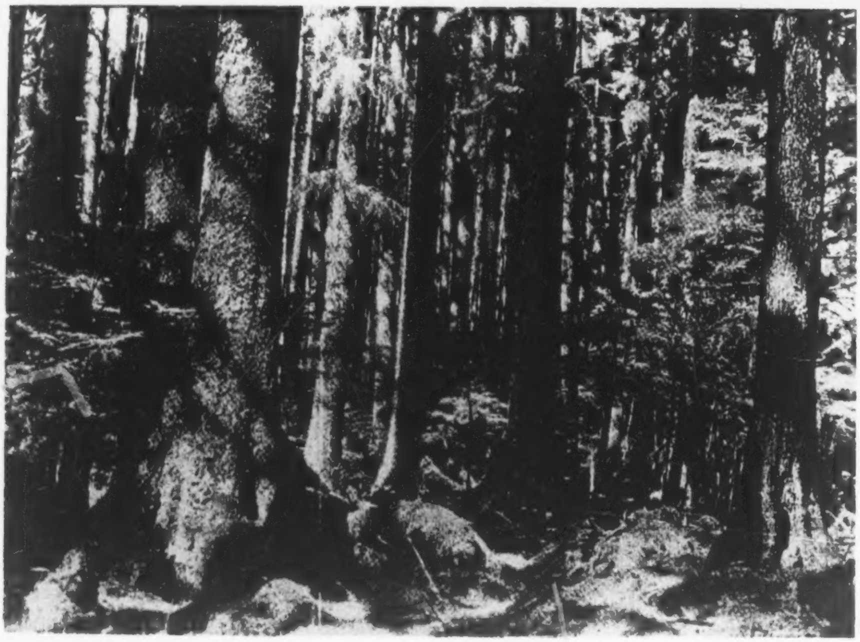
God speed to S. 346.

Thank you.

Senator WIRTH. Thank you, Mr. Sebastian. We are sorry not to be able to accept your invitation to have a hearing at Wrangell but we still appreciate your coming down here today. Thank you very much.

[The prepared statement of Mr. Sebastian follows:]

Statement of Joseph Sebastian
Representing The Point Baker Community Association
Before U S Senate ,Tongass Field Hearing in Ketchikan Alaska
April 24, 1989



My name is Jósеph Sebastian, I am a small boat salmon fisherman from Point Baker,Alaska on N.Prince of Wales Island. I am here to speak on the behalf of the Point Baker Community Association.

Our small fishing village is perched on the salt water ocean inlet of Sumner Striaght,and contains some fifty people in all . Most people in Pt. Baker are fisherman,trollers or gillnetters, or storekeepers,fish-buyers and older longtermAlaskans bordering on retirement. Many of us still live in an old time Alaskan fashion dependent on Alaskas fish and wildlife for a good portian of our diet. The ocean laps our front porch and the forest starts out our back doors. Blackbear and deer still spill out on our local beaches,wolves have been spotted within half a mile of our village,but now the massive clearcuts have all but wipedout the, local forestlands we depend on.

Many people out here are dissatisfied with the present U S F S policy regarding Section 705 ANILCA. The cut and run attitude of the two pulp mills can only last a few more years before destroying the ecological balance of the Tongass we all rely upon. The two fifty year contracts along with Sec.705 will bankrupt our forest and wildlife resouRCE by the end of the longterm contracts in the year 2011.Our wild places in S.E.Alaska are shrinking rapidly under the abusive'Intensive Management' of the U S F S and LPK and APC. The same mistakes are committed year after year like clock-work, due to the inflexable design and intent of Sec.705. With a changing land-use ethic taking place, many small communities are taking steps to protect areas that have traditional and historic use. Our local hunting grounds, fishing grounds, boat anchorages,or recreational areas are being threatend and or destroyed by the policys of ANILCA Sec.705.

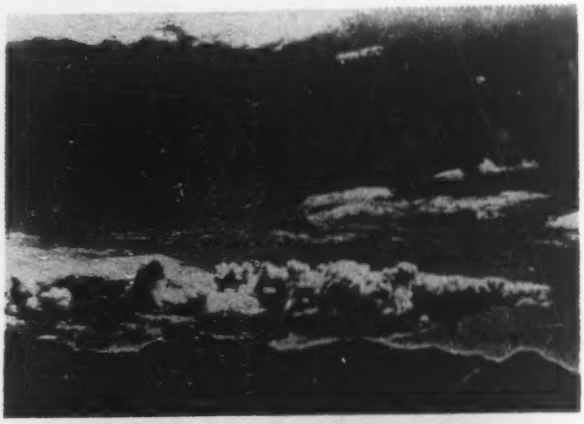
The fact is the two fifty year contracts were based on error, and over-blown estimates with little regard for other forest uses's. At the time, Native lands, State lands select--ions, subsistence areas or viable wildlife habitat were unheard of. Local recreation was overlooked, because many little communities were just being founded,the possibilities of tourism were still just developing. After thirty odd years, much has changed in S.E.Alaska, and the land ethic in the Tongass needs to be brought up to date to reflect the needs of tomarrow and the Alaska we wish to see entering the year 2011. Yet the two over generous contract's remain in place, outdated and over expliotive even in this year 1987. It's sickening to see this rare and valuable timber resource being sold for $ 1.48 per thousand board feet to Japanese corperations , who leave us with wrack and ruin of ecological disaster, while the timber and profits go to Japan. It is extremely poor management and poor government, to impoverish Alaskan timber lands at a deficet to our tax-payers and to the enrichment of the Japanese.

On our local scene while 80% of our timber on Federal lands on Prince of Wales Island are to be cut by the year 2004, we are desparetly trying to protect the last of the last,wild places in our area of S E Alaska. I will mention three of these areas, and then descibe each briefly.I would also like to make clear that 23areas listed in S.346 deserve permanent protection of Wilderness or LUD 2 protective status. The three areas importent to Pt. Baker are the Calder-Holbrook Wildlife Corridor,Kuiu Island, and the Outside Islands.

While the rest of Prince of Wales Island is being logged to the bone a small mountainous area of about 50,000 acers known as the Calder-Holbrook Wildlife Corridor, is the most critical to the longterm subsistence needs of our community, and other small villages also. Located along a well traveled waterway known as El Capitan-Dry Pass,it is used by commercial fisherman, subsistence hunters, who climb the steep,rugged peaks in hopes of bagging a big fat Sitka-Blacktail deer. This area is the last virgin fragment of what was once a great forest.

Mount Calder, Highest peak on Prince of Wales Island, at 3,860 feet.

The 'Out-side Islands' are a crutial part of the commercial fishing industry. Noyes, Baker,Lulu,and San Fernando Islands fit together to provide an ideal place for fish to feed , for fisherman catch, forfish-packers to buy, and for processing ships to anchor and transform the raw salmon into a frozen product. Over 16 million dollars a year are made in these local waters. The islands are very rugged and steep, the ocean-cape weather adds to the wild soul of these islands. Already one tourist sport-boating concern is making over 2 million dollars a year in the vacinity of the Out side Islands. These islands also deserve longterm protection by Congess.



NOYES ISLAND, OVER ONE thousand fisherMAN A YEAR, Return to fish off NOYES ISLAND, the PLACE is A SECOND home TO MANY PEOPLE IN The COMMERCIAL fishing industry.

SALMON CAught off NOYES ISLAND, The fish ARE BEING Sold to A fish PACKING SCOW.

Kuiu Island is a remote wilderness-class,AREA, all but unknown exept to the crab,salmon,and longline commercial fisherman who frequent its lonly shores. Kuiu is also on the migratory waterfowl flyway, its quite coves busy in the early spring, and late fall with ducks, geese, and swans, who all feed along the many tidal mudflats. But the USFS plans to spend $3,850,000.00,to build roads and log-dumps for Alaska Pulp Co.,so they can access $262,060.00 dollars worth of timber over a ten year period!!! It just does not make any sense. If S.346 is made into law ,Kuiu may be saved, if not,then it too will be ruthlessly destroyed in yet another deficet USFS timber sale.

Kuiu is 7 miles off the Port bow in this picture. Many local fish streams are to be found there, altho in the winter, the fresh water turns to ice in the harbors, closing them to local fishing craft.

The fate of the Tongass now rests with Congress,there is much to be lost,and little to be gained by continuing the present USFS-LPK-APC policy. The so called stuwards of our public lands, the USFS have failed the publics trusc and have proved that to them,the only good tree is a stump! It is up to Congress to reform the twisted laws that allow this travesty to continue. The 23areas all deserve the permanent protection that will save them from becoming just another USFS deficet timber sale. After some 30 years of highgrading the forest, bilking the taxpayer, destroying fish and wildlife habitat,and acting the patsy for japanese indusrealists, it is time the USFS recieved a new mandate from Congress, on how to manage the Tongass National Forest,one of the most spectacular regions in the United States.

Pt BAKER Community Assc. Box 31 Pt BAKER AK
99927
Dec 17 1988

The fishing village of Point Baker has a history of wildlife and subsistence dependence from the surrounding Tongass National Forest. Due to the local timber harvest, both current and future, planned by the USFS and LPK and APC, it has become clear that our subsistence rights and needs will not be met or sustained. The USFS does not practice "sustained yield" for our local forest plans. If the Alaskan-subsistance, or wildlife habitat and diversity are not preserved, our residents and citizens will face hunger and disaster. The demand for deer, bear, fish, and other resources, remains constant.

Therefore, the Point Baker Community Association resolves that the area known as Calder-Holbrook Wildlife Corridor, should be preserved as LUD 1 wilderness or a comparable designation. This will allow an important fish and wildlife area to be preserved for the benefit of already heavy subsistance use. Further, the area known as East and South Kuiu, including the Sumner Islands, should also be permanently protected. Kuiu is importent to the local fishing fleet, trollers, longliners, and crab fisherman all make a living off Kuiu's shores and find shelter in Kuiu's harbors. (Kuiu also has many local fish steams.) Also we stand in favor of Rocky Pass receiving wilderness designation. Rocky Pass's importence and value to the migratory waterfowl flyway can not be overstated.

We believe and resolve these wildlands must be allowed to survive and be permanently protected. Our health, wealth, and prosperity of Alaskan spirit depend on it.

CHAIRMAN Donald Hernandez

VICE CHAIR Judy Magnuson

COUNCIL Cecilia J. Botello

COUNCIL Robert A. [illegible]

COUNCIL Andrea Hernandez

SEC. Dorotha Oyler

TREAS. Ruth L. Love

Senator **Wirth**. Fern Neimeyer.

## STATEMENT OF FERN NEIMEYER, MAYOR OF WRANGELL

Ms. **Neimeyer**. There are no roads leading to Wrangell. The only access to the outside world is by air or water. I am here today as the spokesperson for the people of Wrangell because we are all concerned about the future of our town. Our lifestyles and economic base revolves around the fishing and timber industries.

We live in the Tongass National Forest and are very much aware of the natural beauty of our surroundings and we understand the sensitivity of our ecosystem. To us it is our way of life. We understand that if we are to maintain our life style and provide a viable future for our children it is essential that the management of our natural resources be implemented in a prudent manner. We are committed to the wise use of these resources because they represent our life blood.

The Tongass Timber Reform legislation proposed by Senator Wirth and Representative Mrazek—Senate Bill 346 and House Bill 987—are viewed by my constituents as a serious threat to our economic future. This legislation would place constraints upon the timber industry that would cause irreparable damage to the economy of our region and would result in permanent closure of our sawmill.

This is a frightening prospect. We have had mill closures in the past and experienced the mental and economic trauma of an immediate 30 percent unemployment rate. It would be grossly unfair to the people of Wrangell and southeast Alaska if they are subjected to hard line legislation that poses the prospect of economic depredation. Radical legislative proposals that cater to special interests will solve nothing. There is room for compromise.

The Southeast Conference has developed a policy position regarding legislation and management of the Tongass National Forest. I believe that all members of the congressional committee have received copies of this document. The southeast policy position addresses the concerns of a broad cross section of the people living in the Tongass.

The city of Wrangel has endorsed the Southeast Conference position paper because we believe it is an honest compromise. To us this document represents a conscientious approach to the needs and wise utilization of all the resources in the Tongass including the people. We ask that you utilize this document as a reference to create Tongass Legislation that we can all live with in harmony.

Thank you.

[The prepared statement of Ms. Neimeyer follows:]

# CITY OF WRANGELL, ALASKA

Certified a true and correct
copy of the original filed
in my office.
City Clerk
City of Wrangell

TESTIMONY OF FERN NEIMEYER
MAYOR OF WRANGELL, ALASKA
APRIL 24, 1989

UNITED STATES SENATE
ENERGY AND PUBLIC LANDS SUBCOMMITTEE HEARING
KETCHIKAN, ALASKA

MY NAME IS FERN NEIMEYER, I AM THE MAYOR OF WRANGELL, ALASKA. THE CITY OF WRANGELL (POPULATION 3,112) IS LOCATED ON THE NORTHERN TIP OF WRANGELL ISLAND IN THE HEART OF THE TONGASS NATIONAL FOREST. THERE ARE NO ROADS LEADING TO WRANGELL. OUR ONLY ACCESS TO THE OUTSIDE WORLD IS BY AIR OR WATER.

I AM HERE TODAY AS THE SPOKESPERSON FOR THE PEOPLE OF WRANGELL BECAUSE WE ARE ALL CONCERNED ABOUT THE FUTURE OF OUR TOWN. OUR LIFESTYLE AND ECONOMIC BASE EVOLVES AROUND THE FISHING AND TIMBER INDUSTRIES. WE WHO LIVE IN THE TONGASS NATIONAL FOREST ARE VERY MUCH AWARE OF THE NATURAL BEAUTY OF OUR SURROUNDINGS AND WE UNDERSTAND THE SENSITIVITY OF OUR ECOSYSTEM. TO US IT IS OUR WAY OF LIFE. WE UNDERSTAND THAT IF WE ARE TO MAINTAIN OUR LIFE STYLE AND PROVIDE A VIABLE FUTURE FOR OUR CHILDREN IT IS ESSENTIAL THAT THE MANAGEMENT OF OUR NATURAL RESOURCES BE IMPLEMENTED IN A PRUDENT MANNER. WE ARE COMMITTED TO THE WISE USE OF THESE RESOURCES BECAUSE THEY REPRESENT OUR LIFE BLOOD.

THE TONGASS TIMBER REFORM LEGISLATION PROPOSED BY SENATOR WIRTH AND REPRESENTATIVE MRAZEK (SB345 & HB987) ARE VIEWED BY MY CONSTITUENTS AS A SERIOUS THREAT TO OUR ECONOMIC FUTURE. THIS LEGISLATION WOULD PLACE CONSTRAINTS UPON THE TIMBER INDUSTRY THAT WOULD CAUSE IRREPARABLE DAMAGE TO THE ECONOMY OF OUR REGION AND WOULD RESULT IN PERMANENT CLOSURE OF OUR SAW MILL.

PERN NEIMEYER TONGASS TESTIMONY
PAGE 2

THIS IS A FRIGHTENING PROSPECT. WE HAVE HAD MILL CLOSURES IN THE PAST AND EXPERIENCED THE MENTAL AND ECONOMIC TRAUMA OF AN IMMEDIATE 30% UNEMPLOYMENT RATE. IT WOULD BE GROSSLY UNFAIR TO THE PEOPLE OF WRANGELL AND SOUTHEAST ALASKA IF THEY ARE SUBJECTED TO HARD LINE LEGISLATION THAT POSES THE PROSPECT OF ECONOMIC DEPREDATION. RADICAL LEGISLATIVE PROPOSALS THAT CATER TO SPECIAL INTERESTS WILL SOLVE NOTHING. THERE IS ROOM FOR COMPROMISE.

THE SOUTHEAST CONFERENCE HAS DEVELOPED A POLICY POSITION REGARDING LEGISLATION AND MANAGEMENT OF THE TONGASS NATIONAL FOREST. I BELIEVE THAT ALL MEMBERS OF THE CONGRESSIONAL COMMITTEE HAVE RECEIVED COPIES OF THIS DOCUMENT. THE SOUTHEAST POLICY POSITION ADDRESSES THE CONCERNS OF A BROAD CROSS SECTION OF THE PEOPLE LIVING IN THE TONGASS. THE CITY OF WRANGELL HAS ENDORSED THE SOUTHEAST CONFERENCE POSITION PAPER BECAUSE WE BELIEVE IT IS AN HONEST COMPROMISE. TO US THIS DOCUMENT REPRESENTS A CONSCIENTIOUS APPROACH TO THE NEEDS AND WISE UTILIZATION OF ALL THE RESOURCES IN THE TONGASS INCLUDING THE PEOPLE. WE ASK THAT YOU UTILIZE THIS DOCUMENT AS A REFERENCE TO CREATE TONGASS LEGISLATION THAT WE CAN ALL LIVE WITH IN HARMONY.

Fern Neimeyer
FERN NEIMEYER

SUBSCRIBED AND SWORN BEFORE ME THIS 11th DAY OF April, 1989

NOTARY PUBLIC, STATE OF ALASKA
MY COMMISSION EXPIRES:________

Senator **WIRTH**. Thank you, very much, Mayor Neimeyer.

Now I am struck by a number of the panelists—well, I have a minute or two of questions. I was struck by a number of panelists saying that if the Wirth bill passes the mills are going to close down. Is there a position in the legislation that says that the mills are going to be closed down. The answer to that is no. Right now what the legislation does is remove the automatic four and a half billion board feet that is in the current law over a ten-year period of time. It says that the forest will be out based upon what the Forest Service determines is going to be the need and also remove the forty million dollar annual provision that automatically goes to the Tongass.

There is no other national forest in the country that has an automatic requirement for how much to be cut and there is no other forest in the country that receives an automatic entitlement.

I just wanted to, for the record, point out that there is nothing in the legislation that says that X, Y or Z Mill is going to be closed down.

I do think it is unfortunate and there is—one of our witnesses this morning talked about over-reaction, I think that was Mr. Taylor, about overreaction from one group of people. I think there is also a tendency for there to be overreaction from others, just as one would somewhat accuse environmentalists of fear tactics, the world is going to be destroyed if timbering continues. I think also it is unfortunate that some people in the timber industry said they were going to have 30 percent unemployment or 40 or 50 percent unemployment if this legislation passes.

Neither position is true. I think most everybody knows that and what we plan to do is to find a reasonable balance between the two.

I just wanted for the record to point that out so everybody understands it, that there is no provision in the legislation that says that mills are going to be closed down. They will compete like other mills but there is nothing that says that they will be closed down.

Senator Murkowski?

Senator **MURKOWSKI**. Senator, I would hope that some of our witnesses can address the point that you brought up. I think it is fair to point out that in both bills before us we would do away with the proposed entitlement of $40 million. So that point really is not debatable. The question is what can you do with regard to the assurance of the long-term safeguards for the industry unless you have a continuing supply of timber. Our particular bill provides up to 4.5 billion protected based on a number of factors, including the marketing. I would hope that other witnesses would have their testimony directed to the question brought up by the Chairman. In other words, the necessity of having 4.5 is an appropriate point and one that should be made by the witnesses and certainly it is not my intention to debate the matter here.

Senator **WIRTH**. Thank you all, we appreciate your coming. Thank you ever so much and we also appreciate most of you sticking to the time frame and that is going to be helpful to everybody.

Now we might have the second panel, please come up and while you are sitting there, we might ask the third panel to come up and move into the circle here. Mr. Greg Steveler, Gustavus Community

Association, Leslie Bartholomew, Ketchikan, Cliff Taro, Ketchikan, Roger Stone, Ketchikan, Marlene Clarke of Wrangell and Lew Williams of Ketchikan and coming up, Mr. Thomas, Mr. Williams and Mr. Atkinson and Mr. Guiza and Mr. DeWitt, you all would move into, near the center seats.

Thank you for being here, you are also familiar with the rules and we ask you to hold your statements to three minutes and as noted before your statements will be included in the full record.

Mr. Steveler. Please be seated Mr. Steveler.

## STATEMENT OF GREG STEVELER, THE GUSTAVUS COMMUNITY ASSOCIATION

Mr. STEVELER. I represent the Community Association of Gustavus, Alaska, which is a little community on the north shore of Icy Strait, on the north extremity of southeast Alaska.

The people of my town make their living primarily from fishing. Almost everyone in town uses the region's timber, fish and game as part of a rural, subsistance-based lifestyle. Our way of life depends heavily on the country's continued beauty and productivity.

We are not against resource use. That includes logging, which has gone on for years to provide local lumber, and firewood and the like. There have also been some small for-export clearcuts. The country can handle this but by and large large-scale clearcutting that has been moving into our vicinity now is another matter entirely. We know from personal experience from watching this that large-scale clearcutting is a form of resource destruction, leaving the land ugly to farm at and wide open to various forms of abuse later on.

The goal of our town is sustainable use of the Tongass. Our lifestyle depends on that so to us this means logging on a scale, in a way that the country can absorb it.

We want Americans in the future to find deer, salmon and big trees and beauty in abundance along Icy Strait, as we have. The country can provide those things in perpetuity if we use it in a reasonable fashion.

We thank Senator Wirth and his colleagues for their efforts on behalf of Tongass reform. Their bill proposes some important steps in the right direction. It would make timber harvest more flexible. It would force renegotiation of the timber contracts that have made most of southeast Alaska into two private kingdoms. It would cancel the automatic money the Forest Service gets to enhance these projects as a road from nowhere to nowhere along the Chilkat Peninsula near our town and it would give some key places temporary protection from clearcutting.

The bill does a good job to identify areas of Icy Strait important to the local people. The many marine species that congregate there support a large sport and commercial fishery as well as sightseeing and whalewatching vessels up to the size of cruise ships. The coastal forests are excellent for deer hunting and pretty much the same thing holds for Pleasant and Lemesurier Islands, two other areas slated for protection.

We wish however that the protection of these areas could be far more than the few years the bill now envisions. In fact, if we had our way, all large-scale logging in our region would be put on hold for awhile. We strongly oppose management that destroys those resources for the future. That in our view is like—that is what the Forest Service offers us now. Until we actually see hands-on management that respects the country and the local people who depend on it, our beautiful and productive region should be left alone.

Senator WIRTH. Thank you very much, Mr. Steveler.

[The prepared statement of Greg Steveler follows:]

# Statement of the Gustavus Community Association regarding Tongass National Forest Management

I represent the Community Association of Gustavus, Alaska, a small unincorporated settlement on the north shore of Icy Strait.

Gustavus people make their living primarily from tourism and fishing. Almost everyone in town uses the Icy Strait region's timber, fish and game as part of a rural, subsistance-based lifestyle. Our way of life depends heavily on the country's continued beauty and productivity.

We are not against resource use. That includes logging, which has gone on for years to provide local lumber, pilings, firewood and the like. There have been some small, for-export clearcuts as well. The country can handle this. But the large-scale clearcutting that has been moving into our vicinity in the past decade is another matter entirely. We now know from personal experience that this is a form of resource destruction, leaving the land ugly to look at, far poorer in fish and wildlife, and wide open to various forms of abuse that continue to degrade it for years after logging.

Our goal is sustainable use of the Tongass. This means logging on a scale and in a way the country can absorb. We want Americans of the future to find deer, salmon, big trees and natural beauty in abundance along Icy Strait, as we have. The country can provide those things in perpetuity if we use it in a reasonable fashion.

We thank Senator Wirth and others for their efforts on behalf of Tongass reform. Their recently introduced bill proposes some important steps in the right direction. It would make timber harvest levels more flexible and responsive to a broad array of resource values. It would force renegotiation of the timber contracts that have made most of southeast Alaska into two private kingdoms where guaranteed overharvest reigns, and which are off-limits to small-time operators. It would cancel the guaranteed money the Forest Service gets for such "enhancement" projects as the 27 mile road from nowhere to nowhere along the Chilkat Peninsula near our town. And it would give some key places temporary protection from clearcutting.

The bill does a good job of identifying areas of Icy Strait important to the local people. The coast from Point Adolphus to Idaho Inlet is the richest part of Icy Strait.

The many marine species that congregate there support a large sport and commercial fishery as well as sightseeing and whalewatching vessels up to cruise ships in size. The coastal forests are excellent deer hunting. Pleasant and Lemesurier Islands are very productive areas as well; being so close to Gustavus, they receive heavy use of many kinds.

We wish, however, that the protection of these areas could be for more than the few years the bill now envisions. In fact, if we had our way, all large-scale logging in our region would be put on hold. Gustavus people by and large aren't in favor of large-scale "lock-up' of the Tongass; our life depends on resource uses of many kinds. But we strongly oppose all forms of management that destroy these resources for the future. That is what the Forest Service offers us now. Until we actually see "hands-on" management that respects the country and the local people who depend on it, our beautiful and productive region should be left alone.

Gustavus Community Association
P.O. Box 62
Gustavus, Alaska 99826

To: Senators Stevens and Murkowski, Representative Young

From: President, Gustavus Community Association

Re: The "450 timber cut"* on the Tongass National Forest

At the December 12, 1985, general meeting of the Gustavus Community Association, it was resolved to urge your support in removing the annual 450 million board feet timber cut provision from the Alaska National Interest Land Classification Act, during the upcoming congressional review of this legislation.

Our reasoning is as follows:

Whereas, the livelihoods of Gustavus residents depend heavily on tourism, fishing and subsistence, and

Whereas, biologists and others have determined that excessive timbering can be detrimental to these resources, and

Whereas, the "450 timber cut" does not allow enough flexibility in the management of the National Forest for all appropriate uses, and

Whereas, this level of harvest is not economically sensible, as shown by the millions of dollars spent to subsidize the forest products industry on the Tongass,

We, therefore, oppose the "450 timber cut" on the Tongass National Forest.

*ANILCA calls for 4.5 billion board feet of timber to be offered for harvest each decade on the Tongass National Forest, with an annual subsidy of up to $40 million.

Mr. Bartholomew.

## STATEMENT OF LESLIE J. BARTHOLOMEW, PRESIDENT OF GREATER KETCHIKAN CHAMBER OF COMMERCE

Mr. Bartholomew. Thank you. My name is Leslie Bartholomew. I am Vice President of Ireland Transfer and Storage and President of the Greater Ketchikan Chamber of Commerce.

I was born and raised in the Tongass National Forest as were four other generations of my family. I have had the opportunity to witness first-hand the growth and development of our community and region because of the existence of a large year-round forest products industry.

If you had been here thirty years ago, or even forty, you would realize that our economy is not a base that can be supported by a single industry. The timber industry has allowed us to expand and I firmly believe it has had a positive effect. The number of support businesses that have developed and flourished under a diverse economic base are many. How many communities can you point to with a population base as small as Ketchikan's that has jet service six times a day, even in the winter months when there are no tourists; large shopping centers; transportation companies offering multiple shipments per week; construction companies; superb professional corporations; a first-class health care facility and many others. These businesses have prospered not only because of their commitment to Ketchikan but because of a long-term commitment by the forest products industry to our community.

The tourist industry, which people so mistakenly believe can carry us on a year-round basis, depends on the income derived from permanent residents during the winter months in order to be available for the tourist in the summer. No one can survive on a five-month income; it could be tried but the welfare rolls can only take so many people and without the taxes being paid by our businesses and industries the government would be hard pressed to pay for the services required by the indigent.

Our company has been in business in Ketchikan since 1919. We have gone from operating a small fleet of trucks hauling groceries from the old Alaska Steamship Dock, along with the ice for the District at Creek Street, 181 to a large, modern facility and fleet representing companies throughout the world in the movement of household goods. Without our population base and the natural desire of man to live in different parts of the world, we could kiss it all goodbye.

The Greater Ketchikan Chamber of Commerce has been on record since the beginning of its time in support of a strong forest products industry. They key here is commerce, the wages of every person in this community filter through Ketchikan many times over. Every dollar paid by an employer moved from their bank to the grocery store, for example, who then turns that dollar over to their fuel oil supplier, who in turn gives it to their employee and so on. Thirty percent of those dollars seems like an awful lot to lose; I cannot imagine going back to the way we used to live. It was not a bad way to live but it is not the way we live now.

I urge you to consider the fact that in 1980, industry and the pro-wilderness groups made a deal that reduced areas available for harvest and increased the areas to paddle their canoes. I find it hard to understand why, several years later, they chose to ignore that bargain and come back for more. Is it really your desire that I lose my lifestyle and all I have done to better my standard of living, or is it just because you have ruined your back yard and you now want mine?

The U.S. Forest Service will not allow rape and pillage on the Tongass National Forest and I would suggest that they be allowed to proceed with the Tongass Land Management Plan.

I urge to you seriously consider the bill presented by Senators Murkowski and Stevens.

This is one of the facets of the multiple-use forest and I urge you to remember that when you make your decision as to how I am going to live.

Thank you.

Senator **Wirth**. The next witness, Mr. Cliff Taro.

## STATEMENT OF CLIFF TARO, PRESIDENT, SOUTHEAST STEVEDORING CORP.

Mr. **Taro**. I am Cliff Taro, President of the Southeast Stevedoring Corporation. Our principal business is contracting to load ocean-going ships with timber products going to worldwide destinations. In this capacity we employ workers called longshoremen and have some of the best in the world. We also furnish all of the gear, equipment and supervision.

I came to Ketchikan over 37 years ago and brought my wife and two small children and now my son and son-in-law are vice presidents of our Corporation. We started our business because there was going to be a pulp mill constructed in Ketchikan with a 50-year timber supply contract with the United States Forest Service.

We have developed with the timber industry. We now operate in some fifteen timber-related ports in Alaska. We employ on a daily basis over 50 full-time people in our various operations. Should we have vessels loading in all of our ports on the same day we can employ over 500 workers.

We have made efforts to diversify our business but everything reverts back to timber for good solid year-round employment. Fishing is limited, tourism is a short season in Alaska.

Some irresponsible, misinformed people seem to think that one can survive in Alaska on tourism. This is wrong and we know it because we are involved in it.

We have taken the responsibility of representing the large cruise ship operators as their Alaska Agents. In this capacity we are responsible for their operations and needs while in Alaskan ports and waters, such as but not limited to, providing personnel in each port to handle their requirements, marine pilots, pilot boats, tug boats, customs and immigration services, ship stores, supplies and repairs, medical services for crew and passengers, customs brokerage, line handling, mail service and communications, personnel boats, forklifts, garbage removal, baggage handling and so forth.

This might seem like a large order; it is, but remember it is only for a very short period of time each year.

Last year during the short tourist season, approximately three months, we serviced 22 large cruise vessels with over one thousand port calls, carrying over 198,000 passengers, tourists. This number would be nearly doubled when one considers that many of the passengers travel via vessel one way and fly the other. With very few exceptions the many requirements vitally needed by the cruise ships, as noted, are here in place because of the year-round utilization by the timber industry. This short-time use also applies to fishing vessels.

It does not take a CPA to tell us the great cost of providing all of the necessities for a short season, if they were not in place, because the timber industry needs them and keeps them viable.

Since there is no free lunch who would be paying?—the passenger, who wants to see our great state and resources. These people are your constituents. You should not price them out of the opportunity to come to Alaska.

We all must do everything possible to maintain the timber industry at its present level, which will not only help those of us who are here and dependent on the industry for a living, but those people who have yet to discover this great land.

With the rapid depletion of private timber, the need to maintain federal timber at its present level becomes increasingly important to continue steady year-round employment.

I want to go on record favoring Senator Murkowski's bill.

Senator **Wirth**. Thank you very much, Mr. Taro.

Mr. Stone.

## STATEMENT OF ROGER A. STONE

Mr. **Stone**. My name is Roger Stone. I am 38 years old and a banker by profession. I am married with two children and I am an Alaskan by choice, not by accident.

When I first saw southeast Alaska in 1973 I was overwhelmed by a land full of natural beauty rich in natural resources and tremendous economic potential and inhabited by people with something very special in them and about them. It took me several more years after that first visit to figure out what that special quality was. Alaskans, especially those of us who live in southeast, not only live on the last frontier, we in a very real sense are the last pioneers. Alaskans, as I discovered, are special because everyone of us who truly calls Alaska home have been gifted somehow with a can-do spirit. We believe that given the right opportunities we can benefit from the mistakes made by those who have gone before and learn the necessary lessons to do those things right in Alaska. The true spirit of Alaska is engendered by the realization that we all live very close to the land and to nature. All of us here depend directly on the products of the land and the sea and the services that are needed to support these resource extraction businesses. People come from all over the world every summer to admire this great land we are fortunate enough to live in. They gaze at our lifestyle with respect and even envy and maybe wish they were hearty enough or lucky enough to be a part of the great North.

In 1978 when I finally had the opportunity to move to Alaska I left a solid career in a large corporate bank to move to this last frontier to make my home. I took a job with a small community bank and rapidly began learning about the local economy first-hand. What I discovered was a strong but fragile economic inter-relationship. Maybe a better description would be an economy similar to a stool with three legs. These three legs are timber, fishing and tourism. The economy has strength because all three of these legs of the stool have some long-term markets from all over the world.

At the same time the economy is fragile because the legs of the stool are subject to more than just the normal forces of supply and demand present in a rational market. The timber leg in particular is subjected to outside pressures which threaten to cut it off. I know that all of you at some time in your life have had the occasion to sit on a three-legged stool. If you recall such an occasion you remember that the three-legged stool was quite supportive and possibly not always comfortable. It met your basic need for seating at the time.

Now try and picture in your mind's eye that same occasion with only a two-legged stool. Unless you are very close to the floor and can support your weight and keep your balance with your feet on the ground, the two-legged stool would have been entirely inadequate for your basic seating needs. This is exactly what will happen to the economy of southeast if the restrictive legislation supported by Senator Wirth and Congressman Mrazrek should become law. The local economy will suffer tremendously and potentially collapse entirely if the timber industry becomes too severely restricted.

Over the last eighteen months a tremendous amount of uncertainty has been interjected into our local economy involving all three legs of the stool. The out-right threat of losing one leg entirely has already had devastating economic impact locally. People are no longer planning on building or expanding or even dreaming. Most of us are simply trying to survive and preserve a way of life in a land we all love dearly. Because of this very real uncertainty several large local businesses in Ketchikan that I am personally familiar with are sacrificing quality leadership and personnel to deal with diminishing monetary returns. Many other good people are simply leaving the community to go elsewhere as opportunities arise rather than stay here in the land they love and risk their family security on the uncertainty of a questionable future created by the whims of a capricious Congress which is influenced more by the dollars contributed to campaigns by environmental political action committees than by the wishes, needs and priorities of the people it supposedly represents.

I come before you today as a victim of this very real economic uncertainty. I am most probably going to have to leave this community and this great land in order to continue to make a living and provide for my family. I ask you gentlemen, if some outsider came to your home town and took away your job and told you give up all your hopes and dreams, how would you feel? What would your reaction be and what would you do? If any of you can answer those three questions I am certainly open to suggestions.

Thank you very much.

[The prepared statement of Mr. Stone follows:]

Testimony given by Roger A. Stone
April 24, 1989
U.S. Senate Hearing on Tongass Timber Reform Bills
Ketchikan, Alaska
Member of Ketchikan Chamber of Commerce Panel

My name is Roger Stone. I am 38 years old. I am a Banker by profession. I am married with two children and I am an Alaskan by choice, not by accident! When I first saw Southeast Alaska in 1973, I was overwhelmed by a land full of incredible natural beauty rich in natural resources and tremendous economic potential and inhabited by people with something very special in them and about them. It took me several more years after that first visit to figure out what that special quality was. Alaskans, especially those of us who live in Southeast, not only live on the last frontier, we in a very real sense are the last pioneers! Alaskans, as I discovered are special because everyone of us who truly calls Alaska home have been gifted somehow with a "Can-Do" spirit. We believe that given the right opportunities we can benefit from the mistakes made by those who have gone before and learn the necessary lessons to do things right in Alaska. The true spirit of Alaska is engendered by the realization that we all live very close to the land and to nature. All of us here depend directly on the products of the land and the sea and the services that are needed to support these resource extraction businesses. People come from all over the world every summer to admire this great land we are fortunate enough to live in. They gaze on our life style with respect and even envy and maybe wish they were hearty enough or lucky enough to be a part of the great North.

In 1978 when I finally had the opprtunity to move to Alaska, I left a solid career in a large coporate bank to move to this last frontier to make my home. I took a job with a small community bank and rapidly begin learning about the local economy first hand. What I discovered was a strong, but fragile economic interrelationship. Maybe a better description would be an economy similar to a stool with three legs. These three legs are timber, fishing, and tourism. The economy has strength because all three of these "legs of the stool" have strong long-term markets from all over the world. At the same time the economy is fragile because the "legs of the stool" are subject to more than just the normal forces of supply and demand present in a rational market. The timber "leg" in particular is subjected to outside pressures which threaten to "cut it off"! I know that all of you sometime in your life have had occasion to sit on a three-legged stool. If you recall such an occasion you will remember that the three-legged stool was quite supportive and though possibly not always comfortable, it met your basic need for seating at the time.

Now, try and picture in you mind's eye, that same occasion with only a two-legged stool. Unless you are very close to the floor and can support your weight and keep your balance with your feet on the ground, the two-legged stool would have been entirely inadequate for you basic seating needs! This is exactly what will happen to the economy of Southeast if the restrictive legislation supported by Senator Wirth and Congressman Mzarek should become law! The local economy will suffer tremendously and potentially collapse entirely if the timber industry becomes too severely restricted.

When I came to Alaska the D-2 Lands fight was settled. The ANILCA debate was in full swing, but everyone expressed optimism that an acceptable compromise would ultimately be made and that the lands issue in Southeast would finally be settled once and for all. People were making plans, building homes and businesses, and borrowing money to expand knowing full well that their ability to make a return on their investments depended in great measure on a fair and reasonble long term plan for the Tongass. Everyone knew then as we all know now that circumstances change over time and that a mechanism had to be established to facilitate change. Just as the framers of the Constitution of the United States included in that great document a process for admendments to facilitate change, ANILCA included the Tongass Land Use Management Planning process to facilitate change. Now outside forces are again intervening and stating that all of the 1980 agreements were wrong and since these outside forces and individuals seem to think they know more about what is best for us than we do ourselves, we once again find ourselves locked in a bitter struggle for our very lives and livelihoods. The Alaska Congressional Delegation has once again framed legislation that we feel we can live with. Senator Murkowski's proposed legislation recognizes the necessity of reforming the framework established in 1980 to facilitate long term change, but it doesn't steal our ability to make a living in the process!

Over the last eighteen months a tremedous amount of uncertainty has been interjected into our local economy involving all three "legs of the stool". The outright threat of losing one leg entirely has already had devasting economic impact locally. People are no longer planning or building or expanding or even dreaming! Most of us are simply trying to survive and preserve a way of life in a land we all love dearly. Because of this very real uncertainty several large local businesses in Ketchikan that I am personally familiar with are sacrificing quality leadership and personnel to deal with diminishing monetary returns. Many other good people are simply leaving the community to go elsewhere as opportunities arise rather than stay here in the land they love and risk their family security on the uncertainty of a questionable future created by the whims of a capricious Congress which is influenced more by the dollars contributed to campaigns by environmental Political Action Committees than by the wishes, needs, and priorities of the people it supposedly represents.

I come before you today as a victim of this very real economic uncertainty. I am most probably going to have to leave this community and this Great Land in order to continue to make a living and provide for my family. I ask you gentlemen; if some outsider came to your home town and took away your job and told you to give up all your hopes and dreams, how would you feel? What would your reaction be? What would you do? If any of you can answer those three questions, I am certainly open to suggestions!

Thank you.

Senator **Wirth**. Thank you, Mr. Stone.

Ms. Clarke.

## STATEMENT OF MARLENE CLARKE

Ms. **Clarke**. My name is Marlene Clarke of Wrangell, Alaska. I am the second generation of my family born in Alaska and the fourth generation of Norwegian immigrants who settled in Alaska. I own and manage two businesses in Wrangell and am a current member of the Wrangell Chamber of Commerce.

I am opposed to Senator Murkowski's Senate Bill 237 as this bill does not address the very important lands protection issue, the 4.5 million board feet or the contracts. We, as residents of Alaska, are tied to Alaska's ecosystems and the misuse of Tongass National Forest and its ecosystems can result in permanent damage to all of the resources we depend on in southeast Alaska.

I support Senator Wirth's Senate Bill 346 and thank you, Senator, for introducing it. I will support any bill that promotes sensible management of the Tongass for all of its resources. I am heartened to read that Senator Wirth's bill cancels the two pulp mill 50-year contracts and replaces them with the same sales system used in all other national forests. It also ends the congressionally mandated 4.5 billion board feet per decade timber supply goal and eliminates the automatic $40 million subsidy. I am worried about the 23 commercial fishery watersheds and wildlife habitat areas this bill places under a temporary moratorium from logging. I would like to have these areas permanently protected. If these areas cannot be designated as wilderness I would like to have them designated as LUD 11. Of the 23 areas the following are important to my family as high use areas for commercial and sport fishing: Anan Creek, Rocky Pass, No Name Bay, Noyes/Baker and Mud Bay.

As a business person in Wrangell I have been disheartened by Wrangell Lumber Products'(owned by APC) attitude to the community and the lack of regard its personnel have had for local opinion.

I do not want to have logging stopped in the Tongass. I do want this blatant mismanagement to cease and our natural resources and ecosystems protected. Much is written of old-growth forest and 500 year-old trees. In our latitude, gentlemen, a seedling planted now will take another 500 years to reach the size of its 500-year-old brother in our old-growth forest. My newest granddaughter, born in Fairbanks, will hopefully have the chance to enjoy the resources of the Tongass as her parents and grandparents and great grandparents and great-great grandparents and great-great-great grandparents did.

Thank you very much for allowing me to testify at these hearings. I appreciate the time you gentlemen have given to resolve differences of opinions regarding these bills.

Senator **Wirth**. Thank you very much. I assume your granddaughter is registered to vote. [Laughter.]

Mr. Williams?

## STATEMENT OF LEW M. WILLIAMS, JR., PUBLISHER, KETCHIKAN DAILY NEWS

Mr. WILLIAMS. My name is Lew Williams, Jr. I am Publisher of the Ketchikan Daily News here. I have been running newspapers in southeastern Alaska for 43 years now. I have served in local public office, in civic organizations and on State Boards and Commissions. Currently I am a member of the State's Citizens Advisory Commission on Federal Areas.

I support the legislation before you today sponsored by Senator Frank Murkowski and I oppose any legislation that would reduce the harvest, sustained yield harvest in the national forest below 4.5 billion per decade. I oppose cancelling the long-term timber sales and I oppose adding any acreage to the wilderness unless the revision of the Tongass Land Use Management Plan is completed and I recognize of course your bill doesn't ask for wilderness but there are some that do.

As a member of the Citizen's Advisory Commission for the State we have a briefing from the Forest Service on their revision and I am very encouraged by it and I think they are going to like it and I hope the committee will get a briefing before making any designation on any of the areas.

Senator Murkowski's legislation probably is the most reasonable approach because he grew up in Ketchikan. He served in the Coast Guard in Sitka and he was a manager of a bank in Wrangell after the war and he was Commissioner of Economic Development when Walter Hickel was Governor of Alaska.

The last time I testified before the Senator here in Ketchikan he was Commissioner of Economic Development and our newspaper had completed a long series promoting a beach log salvage legislation. It took us four years to get it through but we finally made it so we are not anti cleaning up the environment.

Murkowski's legislation as I understand it automatically repeals the forty million a year to the Forest Service to make enough timber available. My understanding is that for the last fiscal year and the next one has already been incurred so I do not know if that is necessary.

The Southeastern Conference and other organizations have asked that the forty million be continued and allowed to be used for other things and I think that would be fine except that I do not think more money is going to be forthcoming. As for the long-term timber sales, there is only 10 years left on the KPC sale because the next five-year plan, which carries up to 1994, had been approved. I think it would cost you more money and time to cancel something that has 10 years left than it would be to carry it out.

Keeping the harvest level at present is acceptable or I mean good business because the Forest Service alone is going to pay—well, Ketchikan Pulp Company is going to pay the Forest Service ten million in stumage this year, which is a great increase. The other mills will kick in a comparable amount and it will only cost twelve and a half million to make a different sales program so I know that you are going to begin getting money and it is a poor time to make any changes.

Thank you.

[The prepared statement of Mr. Williams follows:]

My name is Lew M. Williams, Jr.

I am publisher of the Ketchikan Daily News (PO Box 7900, Ketchikan, AK)

I have been running newspapers in Southeastern Alaska for 43 years. I have served in local public office, in civic organizations and on state boards and commissions. Currently, I serve on the state's Citizens Advisory Commission on Federal Areas.

I support the legislation before you today sponsored by Sen. Frank Murkowski and Sen. Ted Stevens of Alaska. I oppose legislation which would reduce the harvest of national forest timber below 4.5 billion board feet per decade. I oppose cancelling the long-term timber sales with the pulp mills. I oppose adding additional acreage to wilderness unless the revision of the Tongass Land Use Managment Plan now under way recommends such designation after the Forest Service studies and hearings are completed.

I operated the Wrangell Sentinel and was active in the chamber of commerce shortly after World War II when communities of Southeast tried to attract a year around timber industry to Alaska. It was a long, frustrating job. Now that we have a stable timber industry, it is important to preserve it.

Sen. Murkowski's legislation probably is the most reasonable approach because the senator grew up in Ketchikan, graduated from Ketchikan High School before there was a pulp mill or year around timber industry. He served in the Coast Guard in Sitka, before that community had a timber industry. He was a bank manager in Wrangell after the timber industry was established, including a sawmill at Wrangell. He was state Commissioner of Economic Development when Walter Hickel was governor of Alaska. He has hunted and fished Southeast and knows the people and the area better than anyone in Congress. He knows it better than most area residents.

The last time I testified at a hearing in Ketchikan before the senator, he was commissioner of economic development and our newspaper had completed a long series promoting a beach log salvage program for the state. There was opposition but after four years, the state legislature enacted a law that authorized such salvage. I'm pleased the senator is back for another important hearing.

Murkowski's legislation pending before this committee repeals the section of the Alaska National Interest Lands Conservation Act which automatically authorizes $40 million a year to the Forest Service to make enough timber available to sustain the timber industry. It makes the appropriation to the Forest Service in Alaska subject to annual congressional review and appropriation. I understand this already has been accomplished at least for two years in other legislation. The Southeastern Conference, a coalition of communities, chambers of commerce and Native corporations, and other groups ask that the $40 million be appropriated annually and that it also go to developing other resources. I support any added funds to Alaska but believe Murkowski's bill has the best chance for approval.

Other Tongass timber issues are not covered in Murkowski's bill and are best left as they are.

Cancelling the long term sales will take more time and money than its worth. There are only ten years left on the Ketchikan Pulp Company 's 50-year sale.

There are only ten years left because the next five year cutting plan has been agreed to and the final EIS is due out this month. That plan carries KPC until 1994. The contract expires June 30, 2004. The Alaska Pulp Corporation contract is only six years longer. The contracts are currently being renegotiated without the need for legislation. It's more appropriate to determine where timber will be cut in the final 10-16 years of the contract, if any action is warranted, and where timber will be harvested in the final 50 years of the 100-year sustained yield cutting cycle.

Keeping the harvest level at 4.5 billion board feet per decade is important. Although 450 million feet per year weren't harvested during the mid 80s because of a poor timber market nationwide, the timber was cruised and is available now during the boom years. It cost the Forest Service $12.6 million a year to administer its timber program so it lost money during the poor years. This year however, Ketchikan Pulp Company alone will pay the Forest Service over $10 million for stumage. It's logical that Alaska Pulp Corporation and other harvesters will pay more so the taxpayers will obtain a return on their investment in the Tongass. Legislatively reducing that harvest now is not in anyone's best interest. The Southeast Conference, whose plan is endorsed by the governor, also supports retaining the 4.5 billion per decade and the long term sales.

Where legislation calls for setting aside 23 areas totaling 1.8 million acres from logging or as wilderness, the setaside is unneeded and the wilderness idea is impractical, unless our only interest in life is wilderness. No logging is scheduled for those areas. They are being considered for other uses by the Forest Service in its revision of the

Tongass Land Use Management Plan. That congressionally mandated update will be out in draft form this spring or summer. As a member of the state's advisory commission on federal areas, I've seen the working draft of the revision -- it's public record. Under the revision, the Forest Service is following new, more detailed designation of uses for national forests. Where the old plan designated areas of the forest on one of four classifications LUD I (wilderness) to LUD IV (full development), the new plan designates 24 types of uses including wilderness, scenic, wildlife, fisheries, timber. Although Forest Service officials have said that subsistence uses will be considered in all 24 of the new classifications, our state commission has suggested that a 25th priority, subsistence use, be added.

It would be beneficial for the Congress to be briefed by the Forest Service planner team before arbitarily legislating more wilderness or other land uses in the Tongass.

It apppears that Tongass legislation is inappropriate at this time, or if some is passed the revision purposed by the Alaska congressional delegation be enacted.

Senator **Wirth**. Thank you very much, Mr. Williams, and all of you on the Panel. Thank you, the statements were very good and thoughtful statements.

Are there any questions?

Senator **Murkowski**. No.

Senator **Wirth**. We appreciate you all being with us. Thank you so much for being here this morning.

I will ask Panel III to move in: Mr. Ray Roberts, Mr. Thomas of the Tlingit-Haida Council and Mr. William Williams, President of the Cape Fox Corporation and Mr. Atkinson, Mayor of Metlakatla Community and our next group will come up and into the second level of chairs to—Mr. Amends, Mr. Bacon, Ms. Andrews and Ms. Troll.

Come in and we thank you very much for being here, for joining us, and you all are familiar with the rules of the committee. We will put your statements in the record and hope that you will be able to summarize within that three-minute period of time.

Mr. Roberts.

## STATEMENT OF RAY ROBERTS, REPRESENTING ED THOMAS, TRIBAL PRESIDENT OF THE CENTRAL COUNCIL OF TLINGIT-HAIDA INDIAN TRIBES

Mr. **Roberts**. Good morning. My name is Ray Roberts, filling in for President Ed Thomas. I am Tribal Vice President of the Tlingit-Haida Indian Tribes. I wish to thank the committee giving me the opportunity to express the views of the Central Council on a matter of great importance, the Tongass Timber Reform Legislation.

The Central Council is recognized by the Federal Government and the Judiciary as an Indian Tribal Government. Members reside primarily in southeast Alaska and have recognized chapters in Anchorage, Seattle and San Francisco.

The 1929 Alaska Native Brotherhood Convention authorized action against the United States for approximately 20 million acres of land in southeast Alaska to which the Tribes claimed Aboriginal Title. In 1968 the Tribe received a seven and a half million dollar judgment The Council operates as a result of that judgment. By its constitution the Council promotes the welfare of the Tribes and exercises other powers accruing to it through its federally-recognized sovereignty.

The Council has a long history of recognition, commencing with the BIA's Indian Involvement Program and later the Self-Determination Act and has administered educational, employment and human services programs for the BIA since 1970.

In the short time we have allotted I would like to highlight the issues of greatest importance to our members. They are fisheries enhancement, preservation of subsistence resources and a reasonable balance between conservation and development.

I grew up in the Prince of Wales Area and I have been involved directly or indirectly in fishing all my life and a great many of our members share in that history. We are troubled by what we feel is an over-emphasis on timber management as the Tongass Forest's priority to the detriment of other values. We feel it essential that the Tongass reform legislation that Congress passes give a higher priority to commercial fishing than is given today. S.346 is a step in that direction. In addition, certain fisheries protection zones should be included in your legislation, free of timbering and other man-made threats to the fisheries resource. Specifically we support this protection for Nutkwa, Karta and the Outer Islands. Sealaska Corporation supports a group of seven fisheries enhancement zones including these three. We support the Sealaska Proposal as well. We recognize that S.346 protects Karta, Nutkwa and the Outside Islands and applaud it for doing so. We would like the moratorium described in Section 302 of S.346 to be permanent.

Subsistence resources are essential to the lifestyle and culture of our people. Preservation of those resources must be among the paramount functions of Forest Service management of the Tongass. We believe that function is no less important than maintaining timber harvest levels or any other management purpose. We hope that your final legislation will statutorily mandate that the Forest Service can protect subsistence resources without compromise. We support the language suggested by Senator Wirth in S.346 which adds consideration of the impact of the timber harvest on subsistence resources, wildlife and fisheries resources, commercial fisheries and other impacts in Tongass reports and studies.

We appreciate the findings and purposes described in S.346 which cite the essentiality of Tongass resources for subsistence activities in commercial fishing. We agree with the finding that states that current Forest Service anagement cannot be sustained without jeopardizing subsistence users.

Senator WIRTH. Thank you, Mr. Roberts. Your statement will go in the record; we appreciate it.

[The prepared statement of Mr. Thomas follows:]

# TONGASS REFORM LEGISLATION

## FIELD HEARINGS

TESTIMONY OF ED THOMAS, TRIBAL PRESIDENT
CENTRAL COUNCIL OF TLINGIT-HAIDA
INDIAN TRIBES
KETCHIKAN, ALASKA

APRIL 24, 1989

GOOD MORNING. MY NAME IS ED THOMAS AND I AM TRIBAL PRESIDENT OF THE CENTRAL COUNCIL OF TLINGIT-HAIDA INDIAN TRIBES. I WISH TO THANK THE COMMITTEE GIVING ME THE OPPORTUNITY TO EXPRESS THE VIEWS OF THE CENTRAL COUNCIL ON A MATTER OF GREAT IMPORTANCE, THE TONGASS TIMBER REFORM LEGISLATION.

THE CENTRAL COUNCIL IS RECOGNIZED BY THE FEDERAL GOVERNMENT AND THE JUDICIARY AS AN INDIAN TRIBAL GOVERNMENT. MEMBERS RESIDE PRIMARILY IN SOUTHEAST ALASKA AND HAVE RECOGNIZED CHAPTERS IN ANCHORAGE, SEATTLE AND SAN FRANCISCO.

THE 1929 ALASKA NATIVE BROTHERHOOD CONVENTION AUTHORIZED ACTION AGAINST THE UNITED STATES FOR APPROXIMATELY 20 MILLION ACRES OF LAND IN SOUTHEAST ALASKA TO WHICH THE TRIBES CLAIMED ABORIGINAL TITLE. IN 1968 THE TRIBE RECEIVED A $7.5 MILLION JUDGMENT. THE COUNCIL OPERATES AS A RESULT OF THAT JUDGMENT. BY ITS CONSTITUTION, THE COUNCIL PROMOTES THE WELFARE OF THE TRIBES AND EXERCISES OTHER POWERS ACCRUING TO IT THROUGH ITS FEDERALLY RECOGNIZED SOVEREIGNTY.

THE COUNCIL HAS A LONG HISTORY OF RECOGNITION, COMMENCING WITH THE BIA'S "INDIAN INVOLVEMENT PROGRAM" AND LATER THE SELF-DETERMINATION ACT, AND HAS ADMINISTERED EDUCATIONAL, EMPLOYMENT AND HUMAN SERVICES PROGRAMS FOR THE BIA SINCE 1970.

IN THE SHORT TIME WE HAVE ALLOTTED, I WOULD LIKE TO HIGHLIGHT THE ISSUES OF GREATEST IMPORTANCE TO OUR MEMBERS. THEY ARE FISHERIES ENHANCEMENT, PRESERVATION OF SUBSISTENCE RESOURCES, AND A REASONABLE BALANCE BETWEEN CONSERVATION AND DEVELOPMENT.

I GREW UP IN THE PRINCE OF WALES AREA. I HAVE BEEN INVOLVED DIRECTLY OR INDIRECTLY IN FISHING ALL OF MY LIFE. A GREAT MANY OF OUR MEMBERS SHARE THAT HISTORY. WE ARE TROUBLED BY WHAT WE FEEL IS AN OVEREMPHASIS ON TIMBER MANAGEMENT AS THE TONGASS FOREST'S PRIORITY TO THE DETRIMENT OF OTHER VALUES. WE FEEL IT IS ESSENTIAL THAT THE TONGASS REFORM LEGISLATION CONGRESS PASSES GIVE A HIGHER PRIORITY TO COMMERCIAL FISHING THAN IS GIVEN TODAY. S. 346 IS A STEP

IN THAT DIRECTION. IN ADDITION, CERTAIN FISHERIES PROTECTION ZONES SHOULD BE INCLUDED IN YOUR LEGISLATION, FREE OF TIMBERING AND OTHER MAN MADE THREATS TO THE FISHERIES RESOURCE. SPECIFICALLY, WE SUPPORT THIS PROTECTION FOR NUTKWA, KARTA, AND THE OUTER ISLANDS. SEALASKA CORPORATION SUPPORTS A GROUP OF SEVEN FISHERIES ENHANCEMENT ZONES INCLUDING THESE THREE. WE SUPPORT THE SEALASKA PROPOSAL, AS WELL. WE RECOGNIZE THAT S. 346 PROTECTS KARTA, NUTKWA AND THE OUTSIDE ISLANDS AND APPLAUD IT FOR DOING SO. WE WOULD LIKE THE MORATORIUM DESCRIBED IN SECTION 302 OF S. 346 TO BE PERMANENT.

SUBSISTENCE RESOURCES ARE ESSENTIAL TO THE LIFESTYLE AND CULTURE OF OUR PEOPLE. PRESERVATION OF THOSE RESOURCES MUST BE AMONG THE PARAMOUNT FUNCTIONS OF FOREST SERVICE MANAGEMENT OF THE TONGASS. WE BELIEVE THAT FUNCTION IS NO LESS IMPORTANT THAN MAINTAINING TIMBER HARVEST LEVELS OR ANY OTHER MANAGEMENT PURPOSE. WE HOPE THAT YOUR FINAL LEGISLATION WILL STATUTORILY MANDATE THE FOREST SERVICE TO PROTECT SUBSISTENCE RESOURCES WITHOUT COMPROMISE. WE SUPPORT THE LANGUAGE SUGGESTED BY SENATOR WIRTH IN S. 346 WHICH ADDS CONSIDERATION OF "THE IMPACT OF THE TIMBER HARVEST ON SUBSISTENCE RESOURCES, WILDLIFE AND FISHERIES RESOURCES, COMMERCIAL FISHERIES" OTHER IMPACTS IN TONGASS REPORTS AND STUDIES.

WE APPRECIATE THE FINDINGS AND PURPOSES DESCRIBED IN S. 346 WHICH CITE THE ESSENTIALITY OF TONGASS RESOURCES FOR SUBSISTENCE ACTIVITIES IN COMMERCIAL FISHING. WE AGREE WITH THE FINDING THAT STATES THAT CURRENT FOREST SERVICE MANAGEMENT CAN NOT BE SUSTAINED WITHOUT JEOPARDIZING SUBSISTENCE USERS.

MOST IMPORTANT, WE SUPPORT SECTION 201(b) WHICH REQUIRES REVISION OF TLMP TO "SIGNIFICANTLY INCREASE PRODUCTION OF RESOURCES THAT ARE CRITICAL TO THE LONG TERM BEST INTERESTS OF ... COMMERCIAL FISHING, ... AND THE SUBSISTENCE USERS IN SOUTHEAST ALASKA."

OUR LAST PRIORITY IS THE BALANCE BETWEEN CONSERVATION AND DEVELOPMENT. YOU WILL UNDOUBTEDLY HEAR TESTIMONY FROM WITNESSES WHO BELIEVE IN THEIR HEARTS THAT CONSERVATION IS THE ONLY VALUE YOU SHOULD PRESERVE, WHILE OTHERS WILL SAY THAT DEVELOPMENT IS ALL-IMPORTANT. THE CENTRAL COUNCIL REPRESENTS THE PEOPLE WHO HAVE LIVED IN THIS AREA FROM TIME IN MEMORIAL AND WILL LIVE HERE FOR AS LONG AS MAN LIVES HERE. WE NEED THE LAND PROTECTED AND THE FORESTS TO THRIVE, BUT WE ALSO NEED A MEANS OF EARNING A LIVELIHOOD AND RAISING OUR CHILDREN. WE KNOW OF NO MAGIC FORMULA TO PROVIDE EACH SIDE WITH JUST THE RIGHT AMOUNT OF EMPHASIS. WE ONLY HOPE THAT YOU PAY GREATEST ATTENTION TO THE WITNESSES AND ORGANIZATIONS WHO SEEK TO FIND A BALANCE AND A FAIR COMPROMISE.

WHEN ENVIRONMENTAL MISTAKES ARE MADE -- SUCH AS THE OIL SPILL IN VALDEZ -- THE EFFECTS ARE PERMANENT. THE OIL SPILL TEACHES US THAT RESOURCES SUCH AS FISHERIES CAN BE DAMAGED INSTANTLY WITHOUT ASSURANCE OF RECOVERY. WE HOPE THAT THE MISTAKES OF VALDEZ ARE NOT REPEATED IN SOUTHEAST. WE BELIEVE THAT YOUR COMMITEE HAS THE WISDOM TO WEIGH THE TESTIMONY YOU RECEIVE ON TONGASS REFORM, APPLY YOUR GOOD JUDGMENT TO IT, AND REACH A SOLUTION THAT WILL ALLOW THIS REGION TO MOVE INTO THE 21ST CENTURY WITH A SOLID BASE AND A VIABLE FUTURE.

THANK YOU FOR GIVING ME THE OPPORTUNITY TO TESTIFY HERE TODAY.

Senator WIRTH. Mr. Williams.

## STATEMENT OF WILLIAM K. WILLIAMS, PRESIDENT, CAPE FOX CORP.

Mr. WILLIAMS. My name is William K. Williams and I am President of Cape Fox Corporation, a Native Village Corporation organized pursuant to the Alaska Native Claims Settlement Act.

On behalf of the Cape Fox Corporation I want I to express our thanks for the subcommittee's willingness to hold these field hearings and our appreciation for being permitted to testify today. I will try to make my remarks as brief as possible.

Cape Fox Corporation is the largest private land holder in the Ketchikan-Gateway Borough. We own 20,000 acres of timberland in the area. All of our land is located in the heart of the Tongass. Our shareholders live in the Tongass and many, if not all, Cape Fox people are dependent on the Tongass, either for employment in the timber industry or for subsistence resources. The policies you develop for the Tongass will have a direct and immediate impact on us.

Of the 20,000 acres of commercial timber available to us we have harvested approximately 75 percent. Cape Fox Corporation does not actively harvest timber on our lands but instead we have engaged in a business relationship with Klukwan Forest Products Corporation, another Village Corporation, whereby Klukwan harvests the timber for us. Under our present harvest schedule we have only one to two years of timber harvesting left. Thereafter we will have about 50 years before the next rotational harvest can begin. Our position on the Tongass closely reflects the revised position expressed by the Alaska Loggers Association in its Policy Statement of March 17, 1989. In particular Cape Fox supports the following:

A. The Tongass Land Use Management Plan process should be continued. The Forest Service has worked with all the parties in the region to develop a sound management plan for the Tongass. Cape Fox Corporation applauds the Forest Service's efforts and encourages the Congress not to impede the Forest Service in its attempt to accomplish its multiple-use objectives.

B. Maintain Economic Timber Supply. Congress should not reduce the allowable sale quantity on the Tongass below 4.5 billion board feet per decade. Cape Fox Corporation does not recommend a mandated cut or any minimum harvest level. Rather, the actual harvest levels should be determined by supply and demand and appropriate forestry management techniques.

Congress should ensure access to marginal timber stands on the Tongass. We recommend an intensive management fund of eighteen million per year to do preloading, reforestation and thinning and protect fisheries habitat and fisheries enhancement in areas with marginal timber stands. The Forest Service should manage the forest according to principles of multiple-use, including providing economically viable timber sales to all operators of the Tongass forest.

There are areas in the Tongass that should not be included in the commercial timber harvest. Cape Fox recommends the transfer of special lands into conservation units or protected areas. In particular Cape Fox Corporation is interested in protecting the Naha Area 16 from road building and timber harvesting. That area is of special cultural and subsistence significance to the Cape Fox shareholders.

Thank you.

Senator WIRTH. Thank you very much, Mr. Williams.

[The prepared statement of Mr. Williams follows:]

# TESTIMONY OF

# WILLIAM K. WILLIAMS

PRESIDENT

CAPE FOX CORPORATION

SUBCOMMITTEE ON

PUBLIC LANDS, NATIONAL PARKS AND FORESTS

APRIL 24, 1989

## I. INTRODUCTION

My name is William K. Williams and I am President of Cape Fox Corporation, a Native Village Corporation organized pursuant to the Alaska Native Claims Settlement Act.

On behalf of Cape Fox Corporation, I want to express our thanks for the Subcommittee's willingness to hold these field hearings and our appreciation for being permitted to testify today. I will make my remarks as brief as possible.

Cape Fox Corporation is the largest private land holder in the Ketchikan-Gateway Borough. We own 20,000 acres of timberland in the area. All of our land is located in the heart of the Tongass. Our shareholders live in the Tongass and many, if not all, Cape Fox shareholders are dependent on the Tongass, either for employment in the timber industry or for subsistence resources. The policies you develop for the Tongass will have a direct and immediate impact on us.

Of the 20,000 acres of commercial timber available to us, we have harvested approximately 75%. Cape Fox Corporation does not actively harvest the timber on our lands, but instead we have engaged in a business relationship with Klukwan Forest Products Corporation, another Village Corporation, whereby Klukwan harvests the timber for us. Under our present harvest schedule, we have only one to two years of timber harvesting left. Thereafter, we will have about 50 years before the next rotational harvest can begin. Our position on the Tongass closely reflects the revised position expressed by the Alaska Loggers Association in its Policy Statement of March 17, 1989. In particular, Cape Fox supports the following:

The Tongass Land Use Management Plan process should be continued. The Forest Service has worked with all the parties in the region to develop a sound management plan for the Tongass. Cape Fox Corporation applauds the Forest Service's efforts and encourages the Congress not to impede the Forest Service in its attempt to accomplish its multiple-use objectives.

B. MAINTAIN ECONOMIC TIMBER SUPPLY

Congress should not reduce the allowable sale quantity on the Tongass below 4.5 billion board feet per decade. Cape Fox Corporation does not recommend a "mandated" cut, or any minimum harvest level. Rather, the actual harvest levels should be determined by supply and demand and appropriate forestry management techniques.

Congress should ensure access to marginal timber stands on the Tongass. We recommend an intensive management fund of $18 million per year to do preroading, reforestation and thinning and to protect fisheries habitat and fisheries enhancement in areas with marginal timber stands. The Forest Service should manage the forest according to principles of multiple-use, including providing economically viable timber sales to all operators in the Tongass Forest.

While Cape Fox recognizes the need to stimulate alternative industries in the long run, reducing the allowable sale quantity would have a significant impact on employment in our area, especially among our shareholders. This will especially be the case after the timber from our lands has been harvested.

Cape Fox also is concerned that reducing the amount of timber available to Ketchikan Pulp Corporation may result in closure of the pulp mill in Ketchikan. That would have a problems with the long term contracts should be resolved through negotiations between the private parties and the United States Forest Service.

## C. CONSERVATION AREAS

There are areas of the Tongass that should not be included in the commercial timber base and should not be harvested. Cape Fox recommends the transfer of special lands into conservation units or protected areas. In particular, Cape Fox Corporation is interested in protecting the Naha area from road building and timber harvesting. That area is of special cultural and subsistence significance to the Cape Fox shareholders. Cape Fox is interested in exploring the possibility of a land transfer to preserve this area, perhaps through a value-for-value land exchange.

In addition, Cape Fox supports the position taken by the Alaska Loggers Association regarding protection of seven areas with significant fisheries habitat. We recognize the importance of commercial fishing to the regional economy and hope that the Forest Services devotes more efforts and money toward fisheries enhancement and protection.

I thank you again for giving us the opportunity to testify before you today. I would be happy to answer any questions you may have about Cape Fox or our position regarding Tongass management.

Senator WIRTH. Mr. Atkinson.

## STATEMENT OF HARRIS L. ATKINSON, MAYOR, METLAKATLA INDIAN COMMUNITY

Mr. ATKINSON. Mr. Chairman, members of the committee, my name is Harris L. Atkinson. I am Mayor of the Metlakatla Indian Community. I am here to state the Community's opposition to Senate Bill 346 and support of Senate Bill 247.

The Metlakatla Indian Community is a federally recognized Indian Tribe, organized under the Wheeler-Howard Act of June 18, 1934. The town of Metlakatla lies 17 miles southeast of Ketchikan. Approximately 1,200 of our 2,000 members live there and most of the lands adjacent to our reserve are part of the Tongass National Forest.

Our people are primarily fishermen. We have operated our own cannery for 75 years. The fishing industry can only provide seasonal employment; the only full-time jobs for our people are other government jobs associated with the timber industry.

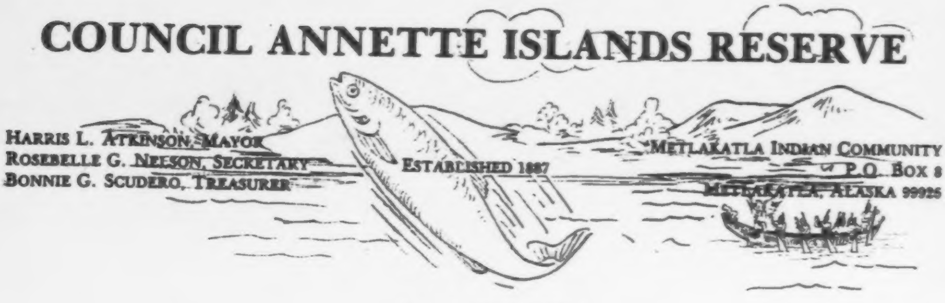
Our community owns a sawmill which it leases to Ketchikan Pulp Company. The mill processes approximately 100 million board feet of timber annually. Nearly 100 full-time, year-round jobs are available at the mill for our community and with an estimated annual payroll of four million dollars, the lease payments to the community make up 10 percent of our revenues. The mill makes purchases in our community which total well over a million dollars a year. Our unemployment rate is approximately 35 percent. Jobs offered at the mill represent fully 20 percent of the full-time equivalent jobs in our community. The loss of lease revenues would cripple our municipal budget.

S.346 conflicts with national Indian policy. During the last administration, former President Reagan called upon tribes to reduce their dependence on subsidies and assume greater independence on local economies, placing our mill in jeopardy. It was not inconsistent with his policies.

Some Indians in the community have lived here for centuries and our communities have survived attacks on our sovereignty, power struggles with an aggressive new state government and the constant shifts in federal and state policies. Only recently have we been subjected to efforts to lock up our resources, often by people without direct ties to our state and community. In plain fact Senate Bill S.346 is a wilderness bill and its consequences might be pleasing to some environmentalists and well-intentioned politicians but it is wrong; it is wrong in its approach and wrong in result.

We ask that you make the corrections necessary to restore sound fiscal management to the Tongass National Forest and allow Alaskans to establish harmony that is necessary for us to live, prosper and perpetuate our ways of life.

[The prepared statement of Mr. Atkinson follows:]



COUNCIL ANNETTE ISLANDS RESERVE

HARRIS L. ATKINSON, MAYOR
ROSEBELLE G. NELSON, SECRETARY
BONNIE G. SCUDERO, TREASURER

ESTABLISHED 1887

METLAKATLA INDIAN COMMUNITY
P.O. BOX 8
METLAKATLA, ALASKA 99926

April 24, 1989

Testimony Of
°° HARRIS L. ATKINSON, MAYOR °°
Metlakatla Indian Community
Before The
SENATE ENERGY AND NATURAL RESOURCES COMMITTEE'S
SUBCOMMITTEE ON PUBLIC LANDS
Ketchikan, Alaska

Mr. Chairman, members of the Committee. My name is Harris L. Atkinson. I am Mayor of the Metlakatla Indian Community. I am here to state the Community's opposition to S.346, a bill entitled the Tongass Timber Reform Act. We oppose the bill because it could savage the economic welfare of our citizens. Moreover, it will continue the efforts of outsiders to lock up Alaska's resources without regard to the welfare of Alaska's citizens.

At the same time, I'm here to offer our Community's support for S.237, which offers a sane alternative. In an honest and direct manner, it would halt an automatic appropriation for timber sale preparation on the Tongass National Forest and stop potential fiscal waste. It does not use the need for this housekeeping measure to justify plundering our economy. We believe in wise use of resources. We believe in conservation. We believe in sound fiscal management. We oppose intrusion into our lives that promises economic ruin.

The Metlakatla Indian Community is a federally recognized Indian tribe, organized under the Wheeler-Howard Act of June 18, 1934. Our reservation consists of several islands southeast of Ketchikan, including our largest island, Annette Island, which contains nearly 90,000 acres. The town of Metlakatla lies approximately 17 miles southeast of Ketchikan. Approximately 1,200 of our 2,000 members live there. Most of the lands adjacent to our reserve are part of the Tongass National Forest.

Our people are primarily fishermen. We have operated our own cannery for 75 years. Unfortunately, the fishing industry provides only seasonal employment. The only full-time jobs for our people, other than government jobs, are associated with the timber industry.

Our Community owns a sawmill which it leases to Ketchikan Pulp Company. The mill processes approximately 100 million board feet of timber annually. Nearly 100 full-time, year around jobs are available at the mill. Seventy-nine of those jobs presently are held by tribal members. The mill has an estimated annual payroll of $4,000,000. In addition, its lease payments to the Community make up 10% of our municipal revenues. The mill makes purchases in our Community which total well over $1,000,000. a year.

We believe S.346 could destroy this valuable economic resource. Much evidence is before Congress showing how pulp mills and sawmills in Southeastern Alaska are mutually dependent on one another. The mill on our reserve could not operate profitably without the presence of the pulp mill in Ketchikan to take its chips and residual pulp grade wood. A threat to the pulp industry in Southeastern Alaska is a threat to our sawmill.

This is not to say we oppose rational planning and appropriate balancing of interests in forest management. We, too, are concerned about wildlife and especially fish habitat. The planning in progress under the National Forest Management Act of 1976 is a sane, balanced and comprehensive approach to forest policy development. It should be allowed to continue. S.346 would halt this process in favor of a wilderness bill.

The bases for our opposition are as follows:

1) ECONOMIC HARM: The direct and indirect economic impacts of the demise of the mill are frightening for us to comtemplate. We must oppose any effort that so seriously jeopardizes 100 year around jobs in Metlakatla. Our unemployment rate stays at approximately 35%. Jobs offered by the mill represent fully 20% of the

full-time equivelent jobs in our Community. The loss of lease revenues would cripple our municipal budget, reduce services and further subject our citizens to the hardships of poverty.

2) VIOLATIONS OF FEDERAL POLICY: S.346 ignores, indeed, directly conflicts with national Indian policy. During the last administration, the government adopted a policy promoting Indian economic self-sufficiency. Former President Reagan's statement of Indian policy issued January 24, 1983, called upon tribes to reduce their dependence on their local economies. Congress went along with this policy by reducing appropriations for Indian programs.

The Supreme Court has recognized Congress' adoption of this policy of Indian self-sufficiency. In California v. Cabazon Band of Mission Indians, _U.S._, 94 L.Ed.2d 244 (1987), the Court characterized it as the "...congressional goal of Indian self-government, including its 'overriding goal' of encouraging tribal self-sufficiency and economic development. These are important federal interests." S.346 subordinates our economic needs to preservationist interests. This hardly manifests the consistent and beneficial approach to Indian economic policy attributed to Congress by the Supreme Court.

3) VIOLATIONS OF TRUST RESPONSIBILTTY: We believe S.346 also would violate the federal government's trust responsibility to Indian tribes. As you know, tribes have a special relationship with the federal government that has been described as one of "trust". See Cherokee Nation v. Georgia, 30 U.S. 1 (1831)

This trust relationship historically has been guarded by Congress in establishing federal land policy. In the National Environmental Policy Act, 42 U.S.C. § 4332 et seq., the National Forest Mangement Act, 16 U.S.C. § 1604 et seq., and the regulations promulgated to implement the policies of the acts, congressional adherence to trust principles is clear. For example, a provision of the regulations implementing NEPA states, in relevant part, as follows:

> [Federal planners must consider] possible conflicts between the proposed action and the objectives of Federal, regional, State and local (and in the case of a reservation Indian tribe) land use plans, policies and controls for the area concerned. [40 C.F.R. § 1502.16 (G); Emphasis supplies.]

The regulations implementing the National Forest Management Act provide several instances where federal land managers must consider the interests of Indian tribes. For example, 36 C.F.R. § 219.7 states as follows:

> The responsible line officer shall coordinate regional and forest planning with equivelant and related planing efforts of other Federal agencies, State and local governments and Indian tribes. (Emphasis supplied.)

The foregoing regulations reflect a rational, balanced approach to developing forest management plans. They require consideration of all reasonable competing interests, including Indian interests consistent with the government's special responsibility to them. Unfortunately, S.346 trashes this procedure for a one-sided management approach that subordinates, ignores or completely destroys every other interest except those of resources preservationists.

4) PHILOSOPHICAL REASONS: Tsimpshian Indians of the Metlakatla Indian Community have existed in our part of the world for centuries. Our Community has survived warfare, racial and political attacks on our separate sovereignty, power struggles with an aggressive new state government and the constant shifts in federal and state policies that affect our social and economic welfare. Only recently, however, have we been so consistently subjected to efforts to lock-up our recourses, often by people who have no direct ties to our state or our Community.

We must express our sincere frustration at being the victims of the actions of outsiders, no matter how well intentioned. We are suspicious of the statistical data and historical information used to justify this latest encroachment. We believe outside interests are exaggerating a fiscal mistake in ANILCA to foster wholesale destruction of the forest related economy in Southeast Alaska.

In plain fact, S.346 is a wilderness bill. It would with-hold 1.7 million acres of land from flexible management policies. The consequences of that action might be pleasing to some environmentalists and well-intentioned politicians. But, it is wrong -- wrong in approach; wrong in result. We ask, instead, that you simply make the corrections necessary to restore sound fiscal management to the Tongass National Forest and then allow Alaskans to establish the harmony that is necessary for us to live, prosper and perpetuate our ways of life.

Senator **Wirth**. Thank you all very much.

Senator **Burns**. I have a question. Yesterday we took a little slight excursion around the area and I have a question for Mr. Roberts.

I wonder if the Native Alaskans up here, if they want more protection for the fisheries and this type of thing, than what is supposedly afforded in the Senate Bill 346? What have you done to protect the logging interest on native lands? What have you done in that regard because I have seen some—well, there have been some abuses on both lands. I wonder what steps you have taken for that.

Mr. **Roberts**. There have been steps to direct some of these problems that you are referring to.

Senator **Murkowski**. Has anything been done physically, any laws or rules passed to ensure that?

Mr. **Roberts**. What you are referring to is the name of Sealaska Corporation, ANILCA, only make recommendations to the Sealaska Board. We are two separate entities.

Senator **Murkowski**. Thank you very much, Mr. Chairman.

Senator **Wirth**. Thank you Senator Murkowski and thank you all very much. We appreciate your coming in today and sharing your thoughts with us. I thank you very much.

Our fourth panel, if we could ask them to come join us at the witness table: Mr. Don Amend, SSRAA, Mr. Jim Bacon of Alaska, Kay Andrews, United Southeast Alaska Gillnetters and Kate Troll, Executive Director of the Southeast Seiner's Association and while they are moving to the table would our next panel move into the back chairs?

Thank you all very much. Why do not we just start with you, Mr. Amend, if you do not mind?

## STATEMENT OF DONALD F. AMEND, GENERAL MANAGER, SOUTHERN SOUTHEAST REGIONAL AQUACULTURE ASSOCIATION

Mr. **Amend**. Thank you. Some of our panel members were not able to be here but I think we speak for most of the commercial fishermen in our area.

The majority of southeast Alaskan residents want a stable and diversified economy throughout southeast Alaska and to assure this the Tongass National Forest must be driven by multiple use considerations. The timber industry is just one of three primary users the Tongass Forest. Commercial fishing, tourism and others are also primary users of the Tongass Forest and the economic viability of these industries are directly affected by the management practices used on the forest. The decline of Pacific salmon along the Pacific Northwest, outside of Alaska, has been attributed primarily to the loss of habitat. Protection of sensitive habitat is essential to maintain viable commercial fisheries. In southeast Alaska the majority of the Pacific salmon originate from the Tongass National Forest. Therefore, in order to preserve the economic viability of the commercial fishery in southeast Alaska, the Tongass National Forest must be managed to protect sensitive habitat that is important to our Pacific salmon. Most people believe this can be done and have a viable timber industry as well.

In a recent survey by the SEALASKA Corporation, 46 percent of southeast Alaska residents believed commercial fishing was the most important industry in southeast Alaska now, compared to 19 percent for the timber industry. When asked which would be the most important in the future, the results changed very little: commercial fishing still 37 percent, timber 15 percent. The respondents also said they wanted an economic diversity and they wanted more non-timber industries like commercial fishing; 89 percent of those respondents said this, yet 90 percent of the respondents believed that both timber and fishing could co-exist. Even in Ketchikan, where a major pulp mill exists and has a strong timber influence, the majority of the people voted similarly to all southeast Alaska residents.

It is difficult to believe those who say if ANILCA is changed that it would destroy the timber industry. This is not the desire of the commercial fishermen, but it is essential that certain lands be reallocated to preserve key habitat for wildstock fisheries. The commercial fishing industry is a resource economy which is renewed every two to five years compared to 100 years for timber; however the regional economic well-being is directly tied to continued health of our partners and the future depends upon the Tongass. The well-being of the people of Southeast Alaska is directly linked to management of the Tongass National Forest. This requires that the Tongass must be driven by muitiple-use considerations.

Thank you.

[The prepared statement of Mr. Amend follows:]

**SOUTHERN SOUTHEAST REGIONAL
AQUACULTURE ASSOCIATION, INC.**

**1621 Tongass Ave., #103** **Ketchikan, Alaska 99901**
**(907) 225-9605**

Public Testimony
Tongass National Forest Hearing
April 24, 1989

By: Donald F. Amend, General Manager
Southern Southeast Regional Aquaculture Association

The majority of Southeast Alaskan residents want a stable and diversified economy throughout Southeast Alaska, and to assure this the Tongass National Forest must be driven by multiple use considerations. The timber industry is just one of three primary users of the Tongass Forest. Commercial fishing, tourism and others are also primary users of the Tongass Forest and the economic viability of these industries are directly affected by the management practices used on the forest.

The decline of pacific salmon along the Pacific Northwest, outside of Alaska, has been attributed primarily to the loss of habitat. Protection of sensitive habitat is essential to maintain viable commercial fisheries. In Southeast Alaska the majority of the pacific salmon originate from the Tongass National Forest. Therefore, in order to preserve the economic viability of the commercial fishery in Southeast Alaska, the Tongass National Forest must be managed to protect sensitive habitat that is important to our pacific salmon. Most people believe this can be done and also have a viable timber industry.

The timber industry argues that if Section 705(a) of ANILCA is changed, the jobs and economic viability of the timber industry will be threatened. However, current ANILCA provisions does not assure adequate protection of sensitive salmon habitat. To put this in perspective, in 1988 there were about 2200 active commercial fishermen. In comparison, the timber industry employed 1800 loggers. In general, at the present time the total employment and value of finished product from fishing and timber are achieving a rough balance.

In a recent survey by the SEALASKA Corporation, 46% of Southeast Alaska residents believed commercial fishing was the most important industry in Southeast Alaska now, compared to 19% for the timber industry. When asked which would be the most important in the future, the results changed very little: commercial fishing - 37%, Timber 15%. The respondents also said they wanted economic diversity (82%), and they wanted more non-timber industries like commercial fishing (89%). Yet 90% believed both timber and commercial fishing could co-exist. Even in Ketchikan, where a major pulp mill exists and has a strong timber influence, the majority of the people voted similarly to all Southeast Alaska residents.

## PRIVATE NON PROFIT HATCHERIES

It is difficult to believe those who say if ANILCA is changed, that it would destroy the timber industry. This is not the desire of the commercial fishermen, but it is essential that certain lands should be reallocated to preserve key habitat for wildstock fisheries. The commercial fishing industry is a resource economy which is renewed every 2-3 years compared to 100 years for timber. However, the regional economic well-being is directly tied to continued health of the other partners, and the future depends upon the Tongass. The well being of the people of Southeast Alaska is directly liked to the management of the Tongass National Forest. This requires that the Tongass must be driven by multiple use considerations.

30-13

Senator **Wirth**. Thank you very much. Delighted that you agreed. You get the gold metal or the gold letter, whatever it is. Thank you very much.

Mr. Bacon.

## STATEMENT OF JIM BACON, UNITED FISHERMEN OF ALASKA

Mr. **Bacon**. Thank you, Mr. Chairman and Senator Murkowski and Senator Burns.

Thank you for coming to Ketchikan and thank you for your interest in the Tongass National Forest.

The United Fishermen of Alaska has on its Board of Directors representatives of 23 commercial fishing organizations and three at-large members. Our member organizations span from the Bering Sea to Dixon Entrance and include seven major fishing groups in southeast Alaska. My name is Jim Bacon and I live here in Ketchikan. I have served on the UFA's Board as a representative of the Southeast Alaska Seiners since 1986. From February of 1988 to February of 1989 I served as President of United Fishermen of Alaska. I am now Co-Chairman of our National Issues Committee. These titles just cost me time and money. I earn my living purse seining for salmon in southeast Alaska.

Our concerns with regard to Tongass Forest Management express our industry's concerns and have a direct bearing on our jobs and our livelihoods. The lifeblood of our commercial salmon fisheries flows in the rivers and streams of southeast Alaska; 90 percent of these salmon producing systems lie within the boundaries of the Tongass National Forest.

Much of the research on the interactions of fish in the forest has been done by the U.S. Forest Service and it is thanks to their efforts and the work of the National Marine Fisheries Service, the U.S. Fish and Wildlife Service, the Alaska Department of Fish and Game and others that we know as much as we do about the importance of streamside protection. Continued high production of salmon depends on maintaining high quality habitat. With care, a productive fisheries system will return salmon for harvest producing a positive cash flow and regional jobs with no adverse effect on the land or other resources.

The problem we run into in the Tongass is that the best of the woods is the best of the woods. In many cases the highest volume timber stands are found in the riparian areas, adjacent to the most productive streams. Sometimes the economic viability of a timber operation may depend on harvesting the largest spruce located near the stream to offset the low quality hemlock harvested in the upland areas. This sets the stage for the conflict that exists between our industries and also sets the stage for the tough decisions that must be made by our resource managers, decisions that must be driven by equal consideration of all the resources. We feel very strongly that balanced management of all producing resources in the Tongass should be legislatively identified for the Forest Service. All too often management decisions are weighted by the current directed timber management goals.

The National Marine Fisheries Service Policy for Riparian Habitat Protection calls for mandatory buffer zones of riparian vegetation, a minimum of 30 meters on each side of all anadromous fish streams. The U.S. Forest Service does not consider this policy when laying out timber sales. It is the lack of consistent substantive actions with regard to other multiple-use needs that is the major problem in the Tongass today.

The Forest Service is now operating within the riparian zone under what they term as Aquatic Habitat Management Unit concept. Unfortunately this concept does not require a mandatory exclusionary zone be implemented to protect riparian habitat. Oftentimes in practice the amount of streamside cutting is left up to the discretion of the District Ranger and his or her staff. Streamside cutting still occurs and buffer strips may be as significant as one or two trees. Even in cases where a larger buffer is left there is nothing in place to prevent future harvest of those areas. In fact, 1989 to 1994 DEIS for the Ketchikan Area states that by the year 2004 about 50 percent of the AHMU's would be harvested——

Senator WIRTH. We will put the statement in full in the record, Mr. Bacon. Thank you very much.

[The prepared statement of Mr. Bacon follows:]

# ORAL TESTIMONY OF
# THE UNITED FISHERMEN OF ALASKA
APRIL 24 1989
BEFORE THE SUBCOMMITTEE ON
PUBLIC LANDS, NATIONAL PARKS AND FORESTS
U.S. SENATE HEARINGS IN KETCHIKAN ALASKA

Mr. Chairman and Members of the committee :

Thank You for coming to Ketchikan and thank you for your interest in the Tongass National Forest.

The United Fishermen of Alaska has on its Board of Directors representitives of 23 commercial fishing organizations and three at large members. Our member organizations span from the Bering Sea to Dixon Entrance and include seven major fishing groups in Southeast Alaska . My name is Jim Bacon and I live here in Ketchikan. I have served on the UFA's Board as a representitive of the Southeast Alaska Seiners since 1986. From Feb. 1988 to Feb 1989 I served as President , I am now Co-Chairmen of our National Issues Committee. These titles just cost me money. I earn my living purse seining for salmon in Southeast Alaska.

Our concerns with regard to Tongass Forest Management express our industry's concerns and have a direct bearing on our jobs and our livlihoods. The lifeblood of our commercial salmon fisheries flows in the rivers and streams of Southeast Alaska. 90% of these salmon producing systems lie within the boundries of the Tongass National Forest.

Much of the research on the interactions of fish in the forest has been done by the U.S.F.S., and it is thanks to their efforts and the work of National Marine Fisheries Service, the U.S. Fish and Wildlife Service, the Alaska Department of Fish and Game and others that we know as much as we do about the importance of streamside protection. Continued high production of salmon depends on maintaining high quality habitat. With care, a productive fisheries system will return salmon for harvest within 2 to 5 years in an ongoing annual manner , producing a positive cash flow and regional jobs with no adverse effect on the land or other resources. The problem we run into in the Tongass is that the best of the woods is the best of the woods. In many if not most cases the highest volume timber stands are found in the riparian areas, adjacent to the most productive streams. Sometimes the economic viability of a timber operation may depend on harvesting the large spruce located near the stream to offset the low quality hemlock harvested in the upland areas. This sets the stage for the conflict that exists between our industries. This also sets the stage for the tough decisions that must be made by our resource managers. Decisions that must be driven by equal consideration of all the resources. We feel very strongly that balanced management of all producing resources in the Tongass should be legislatively identified for the Forest Service. All to often management decisions are weighted by the current directed timber management goals.

The National Marine Fisheries Service Policy for Riparian Habitat Protection calls for mandatory buffer zones of riparian vegitation, a minimum of 30 meters (100 feet) on each side of all anadromous fish streams. The U.S. Forest Service does not consider this policy when laying out timber sales. It is the lack of consistent substanitive actions with regard to other multiple use needs that is the major problem in the Tongass today.

The Forest Service is now operating within the riparian zone under what they term an "Aquatic Habitat Management Unit (AHMU) concept. Unfortunately, this concept does not require a mandatory exclusionary zone be implemented to protect riparian habitat. Often times in practice the amount of streamside cutting is left up to the discretion of the District Ranger and his or her staff. Streamside cutting still occurs and buffer strips may be as insignificant as one or two trees. Even in cases where a larger buffer is left there is nothing in place to prevent future harvest of those areas. In fact, the 89-94 DEIS for the Ketchikan Area states that, "By the year 2004 about 50% of the AHMU's would be harvested (pg. 4-120)." and that, "By the year 2054, about 80% of the AHMU's would be harvested.

The UFA and representitives from the timber industry and the enviormental community spent many days in meetings this year at the request of Governor Cowper with respective state agencies to craft statutory language implementing the riparian zone concept on State and private lands which are adjacent to the Tongass and Chugach National Forest. It is our goal to establish consistent fishery protection practices throughout Alaska.

The research has been done. The need for streamside protection has been identified. What is now needed is the commitment from our elected officials and our resource management agencies to bring true management balance into practice for the continued health and prosperity of all Alaskans and Americans. We have the natural resources still available to provide continuing economic opportunity for all facets of our Southeast economy. It is in the best interest of everyone to insure that our stewardship is inclusive and equally weighted to the needs of all our industries for the long term benefit of all Alaskans.

Once again I thank you all for coming to Ketchikan and hope you enjoy your stay.

UNITED FISHERMEN OF ALASKA

211 4th Street, Suite 106
Juneau, AK 99801
907-586-2820

March 13, 1989

To the House Interior Committee

United Fishermen of Alaska is a private non-profit statewide organization of 23 fishermen's organizations, including marketing and aquaculture associations and specific gear groups. Including our individual members UFA represents over 17,000 Alaska commercial fishermen. UFA is active before the Alaska State Legislature, state agencies, the U.S. Congress and federal agencies on behalf of its members.

Seven of our member groups, Alaska Trollers Association, United Southeast Alaska Gillnetters, Southeast Alaska Seiners Association, Petersburg Vessel Owners Association, Seafood Producers Cooperative, and the Northern and Southern Southeast Regional Aquaculture Associations, are directly affected by activities relating to the management of the Tongass National Forest. It is our privilege and responsibility to present to the committee our concerns regarding current Tongass management.

In southeast Alaska the majority of the important salmon spawning and rearing areas are located in the Tongass. We feel very strongly that key fisheries habitat areas must be afforded permanent protection by law (Legislative LUD II) from logging and related activities. Multiple use planning for the Tongass must address the cumulative impacts that logging activities are having on our fisheries resources. The National Marine Fisheries Service Policy for Riparian Habitat Protection (1988) calls for mandatory buffer zones of riparian vegetation, a minimum of 30 meters (100 feet) on each side of all anadromous fish streams. The U.S. Forest Service does not consider this policy when laying out timber sales. It is this lack of attention to other multiple use needs that is the major problem in the Tongass today.

In order for the proper protections to be implemented for the commercial fishing industry, the obstacles of mandated cut and long-term contracts must be overcome. All too often decisions to enter a watershed with tremendous renewable fisheries values is made by the Forest Service despite our industry's strident objections. When pressed to explain their actions, the Forest Service answer is that they have a mandate to offer 4.5 billion board feet per decade. Another excuse offered is their interpretation of the 50 year contracts with the pulp mills, which in their view suggests a large percentage of high volume, old growth timber at a low cost, are required so mills can be viable in all market conditions. In many instances these decisions have led to a large public outcry, and often ended up in litigation. If true multiple use planning is going to work, constraints such as the 4.5 billion board feet mandate and the terms of the outdated long-term contracts must be substantially altered.

Furthermore, the contracts must be renegotiated to reflect free market realities. As R. Neil Sampson, Executive Vice President of the American Forestry Association, said in testimony before the House, dictating the management of any national forest by federal legislation is doomed to failure. The furor of the Tongass debate proves that.

With regard to the Timber Supply Fund we feel that the USFS in southeast Alaska should be fully funded to 1) build roads that access some of the timber stands that are not in sensitive areas, 2) have fisheries biologists in the field to influence logging activities and 3) continue research into ways that logging can occur with minimal impacts on salmon habitat; in other words, to do a good job of managing the forest. To the extent that the supply fund meets these goals we would hope to see it continue. However, we are aware that efforts are ongoing to divert some of these funds into an economic diversification loan program that could benefit increased production of commercial fishing. We support these efforts to promote economic diversification.

The total ex-vessel value earnings contributed by the commercial salmon fishing industry to the southeast region between 1978 and 1986 was $380 million. These are only the dollars paid to the fishermen and don't take into account the value of the seafood processing industry and its employment benefits, nor does it reflect the benefits as those dollars trickle through the rest of the economy. We are clearly a major contributor to our region's economy and a renewable resource industry that has been a stalwart of the regional economy since the turn of the century. With good stewardship and protection of spawning habitat while timber is being harvested, we will continue to be a healthy industry into the 21st century and beyond. This is supported by a recent survey (see reference below) that showed a majority of southeast residents believe commercial fishing to be the most important industry to the future.

The timber industry is also an important source of renewable resource income in southeast Alaska and always will be. Our interest is not to put our friends and neighbors out of work but rather we want the Forest Service to provide adequate protection of fish rearing and spawning habitat which is critical to the survival of the fishing industry.

The Tongass debate has been long and difficult for those of us who live here. However, in spite of the very cold winter we are experiencing this year, there are signs of a break in the ice between the participants. Recent efforts to arrive at a consensus position by the Southeast Conference met with some success and the group deserves a great deal of credit for their attempts. Also, the results of the Tongass Timber Reform Act Survey conducted by Decision Sciences, Inc., at the request of the Sealaska Corporation showed that a majority of southeast residents support changes in the current management practices in the Tongass and feel that the time is now to make those changes.

In closing, United Fishermen of Alaska is well aware of the time and effort the House Interior Committee has put into the Tongass issue and we appreciate the consideration you have given to what we feel is one of our country's greatest resources.

Sincerely,

Kate Graham

Kate Graham
Executive Director

Senator WIRTH. Kay Andrews.

Before we keep going, what is the difference between seiners and gillnetters? As a mountain person I do not know.

Mr. BACON. This is just a gear that they use. We use drift gillnets and they use seines.

Senator WIRTH. What is a gillnet versus a seine?

Mr. BACON. A purse seine has got a name like a purse string, it has a series of rings along the bottom and you push it up underneath the fish and then bring them on board and this is speaking as a seiner. A gillnet strangles them. [Laughter]

Senator WIRTH. Now would the seiners and the gillnetters fish in various areas or are there different ways of fishing for the same fish in the same areas, is that right?

Mr. BACON. We have allocated areas that you argue about all winter. In different spots, the purse seine fleet works in one certain area and the gillnet fleet will work in another area and we spend quite a bit of time arguing about that.

Senator WIRTH. You are either a seiner or a gillnetter, nobody is both?

Mr. BACON. Well, you cannot use the same permit the same area.

Senator MURKOWSKI. I am going to take the liberty to draw my colleague a diagram.

Senator WIRTH. Now I will look forward to that.

And I did not take any of your time, you can now start, Kay.

## STATEMENT OF KAY ANDREW, REPRESENTING UNITED SOUTHEAST ALASKA GILLNETTERS ASSOCIATION

Ms. ANDREW. My name is Kay Andrew and I am a life-long resident of Ketchikan. I am representing the United Southeast Alaska Gillnetters Association. Our organization is eleven years old and has 200 members throughout Southeast Alaska and Puget Sound.

We as commercial fishermen are directly affected by the management of the Tongass. Therefore it is our privilege and responsibility to present our concerns regarding current Tongass Management.

I would like to speak to you about the importance of protecting the major river and stream systems in Southeast Alaska. By using roadless, not wilderness withdrawal, to protect major rivers and streams, and using riparian zones of the recommended 100 feet by the National Marine Fisheries Service Policy around all fish streams, and having a specific mechanism to enforce this, we feel the destruction of our resources would be better protected.

The 2,000 or more spawning streams in the Tongass that produce our famous Alaska salmon are as of now not being protected. We cannot afford to have any more of our major rivers and streams destroyed or damaged. We must protect all rivers and streams such as the 23 major systems listed in H.R. 987. I have enclosed copies of some examples of one system that was damaged to show how the problems were handled within our state departments. I would suggest you obtain a copy of Alaska Nonpoint Source Pollution Assessment Report, Section 319 to the EPA December 1988 to enforce our concerns on rivers and streams. I cannot stress strongly enough that United Southeast Alaska Gillnetters is also very concerned about the fish producing streams that are not included in the lists that have been produced for suggested withdrawal and we would demand riparian zones on all fish producing streams.

There has been all kinds of talk about the people of the Tongass; well fishermen are a big part of these people. We have seen lots of hard times and cuts to our industry and have had to adjust. We feel the people of the timber industry can learn to adjust also. We are not asking that the timber industry be done away with as we feel it is also important and vital to the economy of southeast Alaska but we want multiple-use protection.

The Southeast Alaska Gillnetters lend respect to the timber industry and ask for respect back that being, all fish producing streams must be protected. We feel to accomplish this the 4.5 mandate must be removed. The long-term contracts must be re-negotiated and the balance of multiple-use management needs to be enforced.

In closing, according to the Tongass Timber Reform Act Survey conducted by Decisions Science Incorporated at the request of the Sealaska Corporation, a majority of southeast residents believe commercial fishing to be the most important industry to the future. We would like to protect this fact.

Thank you.

Senator WIRTH. Thank you very much.

Ms. Troll. Are you with the seiners?

I understand Senator Murkowski drew a fabulous picture.

Ms. TROLL. Trollers is where? You would think that I would be representing the trollers but no, that not—that is another major fleet.

Senator MURKOWSKI. I will try to draw that too.

Senator WIRTH. Well, I will just tell you that my daughter came home for the week-end from college and she had a special dinner of Alaska salmon. That was Alaska salmon, it said so on the box, Alaska salmon, it did not say whether it was seine, trolled or gillnetted.

Ms. TROLL. Well, I will take credit for that.

## STATEMENT OF KAY TROLL, EXECUTIVE DIRECTOR, SOUTHEAST ALASKA SEINERS ASSOCIATION

Ms. TROLL. My name is Kate Troll and I do represent the Southeast Alaska Seiners. I also have a Master's Degree in Natural Resource Management from the Yale School of Forestry and Environmental Studies. I have worked in the field of resource management and planning for the state, local, native and private sectors of Alaska over the past 11 years. I also served on the Ketchikan Borough Assembly so I feel my background gives me a balanced perspective to comment on this.

All the fishermen want is a clear directive for true, balanced multiple-use management of the Tongass, but that balance is impossible to achieve when one use, timber, has a congressional mandate and all other uses are lumped together under the National Forest Management Act. When fishermen organizations review planned timber sales and request more streamside protection the answer all too often is, we need all the timber we can get to meet the terms of the contracts. We are tired of this answer when the 450 annual MMBF supply mandate has never been harvested. We firmly believe that removal of the inflexible 450 mandate will untie the hands of agency professionals. The Tongass Land Management Plan would then be driven by land and water suitability and multiple economic needs, not driven by politically derived supply figures. Management by congressional mandate does not work; it drives the planning process backwards. The Management Plan should be built from the land up.

The other major obstacle to multiple use management in the Tongass is the long-term contracts which weigh down balanced multiple use just as the congressional mandates do. In this light we ask for contract renegotiation, not contract cancellation. The fishermen believe that the timber industry should be given some measure of contract stability. We believe contract re negotiation can do this without devastating our local economy.

The timber industry would have everyone believe that any change to Tongass Management would be devastating, yet at a recent conference in Ketchikan on the Future of the Timber Industry in Southeast, Martin Pihl of Ketchikan Pulp Company spoke with guarded optimism about the future of the pulp industry. I quote from his text, "But yet there is a very, very solid base of business out there worldwide to participate in. The market really looks optimistic for the future." Combine this outlook for markets with the other forest dependent industries strengthened by true multiple use management and the economic outlook is certainly not one of doom and gloom.

In fact the seafood industry employs 3,900 people. The seafood industry is Alaska's largest private employer and I would like to just finish by saying our call for balanced multiple use is also a call for jobs and income. To put it simply fish habitat protection means more fish and more fish means more jobs and income. A recent study by the Institute of Social and Economic Research showed that for every dollar spent on salmon hatcheries 2.3 dollars were returned to the state's economy. This study clearly indicates that fish enhancement projects give one of the best rates of return for public investments. Good fish management and enhancement will pay off for the Forest Service too. True multiple use management in the Tongass will strengthen both the fishing and timber industries in the long term. It is time that we begin to manage the Tongass for multiple use just like all other national forests.

Senator WIRTH. Thank you, Ms. Troll. Now if you will indulge me for a moment, could you tell me when this happens to the salmon in the stream, is the catch increased or decreased or what is happening to it?

Mr. AMEND. We were experiencing an increase in the catch for—especially in the earlier part of this decade and in two favorable winters and also I believe due to some results of the Magnuson Act it was bringing in more protection offshore. As a region I think that Senator Murkowski knows very well of the issues that we had been facing in the last few years. We were impacted quite severely by the high seas fleet that has been working out in the North Pacific right now and that is also a very major issue of ours that we have been working with Senator Murkowski. We were impacted quite hard by high seas interception.

Senator WIRTH. This had the biggest impact, drift nets?

Mr. AMEND. I think it is a very, very large impact. There is a number of factors; we had a very cold winter in 1985 that impacted our return in 1987. We had a lot of freeze off that year. There are environmental factors also. I do not think you can correctly point your finger to one specific thing.

Senator WIRTH. And tell me what other fish, where the salmon fit in with other fish caught in the fishing industry and what is the volume or the economics of it? How do you generally measure?

Mr. AMEND. I think salmon far and away is the largest component of the seafood industry but we have a large industry in our black cod fishery, bottom fish. Senator Murkowski, would you draw him a long line please? [General laughter.]

Senator MURKOWSKI. It is sable fish.

Mr. AMEND. It is a bottom fish. We had a crab fishery and a shrimp fishery and a halibut fishery. We have got crawfish working and also bottom fish. We have got a fairly large herring fishery to comment on just a few. There are quite a few fisheries.

Senator WIRTH. Thank you.

Senator MURKOWSKI. I just want to make a very brief addition to make sure my colleagues understand. These fish appear in freshwater streams along the coast of southeastern Alaska and Canada as well as western Alaska and their lifestyle, they migrate out in the North Pacific and they intermix with Asian stocks, which are both Soviet Union and Japanese and it is kind of a rearing pond. They are out there growing up and we manage our fisheries on the basis of escape. In other words we do not let our standard fish out unless we have certain escapements in our streams to ensure the cycle repeats itself but if you have sophisticated fleets in the high seas such as the Taiwanese and the Koreans and some of the Japanese—and we have got evidence that several hundred boats are out there with squid nets in salmon-producing areas you will find that some of these nets are as long as 30 miles, and it is the ability to manage the resource because you do not know what they are taking.

I have not had permission to board these boats until a short time ago. They take the salmon and they sell them, move them off the vessels on the high seas and they take them to Singapore and Hong Kong and then they market them over in France and Europe. If we do not control high seas interception management of the resource is very difficult and I commend this panel particularly—what I got was an effort to continue a balanced multiple use plan with particular emphasis, of course, on fisheries. We have a very serious international problem in this regard just because we do not control these fish on the high seas. We have such things as sovereignty of nations on the high seas and it is a real diplomatic nightmare. Most of the nations have laws that prohibit fishing on the high seas but unless they fish and sell over the side because they are afraid to take those fish home because they know they would be prosecuted, it is sort of like a laundering operation, or similar to drugs, a lot of money so they are going to take the risk and thus they are annihilating the fisheries. I think we lost about a hundred million dollars there, as estimated in value last year, and again it is very difficult to identify it.

Senator WIRTH. If that destroys the resource then you are really in long-term deep trouble. Senator Murkowski has talked about this on the floor of the Senate; he certainly has been an advocate for your industry, your Senator from Alaska.

Mr. BACON. The term anadromous is a term that spawns in the streams and then goes to the ocean until it reaches adulthood and then goes back up into the freshwater streams so it is that anadromous, the use of that freshwater environment and that habitat that is so critical to these issues that we are talking about here. It is so important because without that habitat and protection the salmon—well, the life cycle would not be able to complete itself.

Ms. TROLL. We are talking here in an optimistic vein hoping that you Senators will take some aggressive action on the high seas and we are concerned that if you are successful at that that the fish will have someplace to return to.

Senator WIRTH. The fish go out and spend two or three years out there?

Ms. TROLL. It is like cows going out to pasture

Senator WIRTH. They do not go out there for—they go out there for two or three years and then come back in to spawn?

Senator MURKOWSKI. They return to the streams where they were born.

Now if I would not be out of line I would like to point out one thing in our testimony, that I referred to but I did not get to—Senator Burns referred to a question he asked to the previous panel, just a point or two, I will not say anything, I just want to let you know I was going to pass this out.

[Document handed to Senator Burns.]

Senator WIRTH. You have all been heard. I thank you very much and I appreciate your understanding of the tight schedule and everybody else is in the same sort of thing. Thank you very much for being with us.

The next panel, if they will come to the table with the sixth panel moving into the on-deck circle. This panel is Mr. Dale Pihlman, Outdoor Alaska, Mr. Neil MacKinnon, Alaska Miners Association, Bill Leighty, Gold Creek Salmon Bake and Jan Ross, Alaska Cruise Lectures. You all are coming up, our next group, please take your places.

Now we will start with Mr. Pihlman.

Mr. Pihlman is not here so he is really helping our schedule.

Mr. MacKinnon.

## STATEMENT OF NEIL MacKINNON, CHAIRMAN, JUNEAU BRANCH, ALASKA MINERS ASSOCIATION

Mr. MACKINNON. Thank you. My name is Neil MacKinnon and I am the Chairman of the Juneau Branch of the Alaska Miners Association; however because our chapter's membership extends throughout southeast Alaska, I am speaking today for the organized mining interests of all of southeast Alaska.

We are very concerned about the pending legislation and the impact which it is likely to have on the mining interests of this area, now and in the future. The coastal range is teeming with mineral deposits which have already been identified to some extent and in some instances are in the process of being brought into production. However, beyond that there are many areas of high potential which everyone agrees may prove to harbor even bigger deposits.

In the view of the mining industry in southeast Alaska this legislation is grossly deficient insofar as it ignores existing mining activities and more importantly its potential. First, the surface management prescriptions almost undoubtedly will make mining and mineral development more difficult. Second, if areas are restricted or closed to mineral entry then the deposits which such areas may contain will be lost forever. Third, such an exercise will be contrary to the national mineral policy. While the mining law of 1872 constitutes important protection to the future of mining as one of America's few remaining domestic basic industries, the encroachment of wilderness areas on the public domain restrict and restrain the growth of this important industry.

We are not asking that any special protections be given to the mineral industry in this legislation. We are only asking that we be allowed to continue to seek and develop deposits in the Tongass. Mining does not create anywhere near the surface impact of clearcutting but it does require some surface disturbance. There is a difference to be understood between exploration and mining as well. Exploration requires large areas to be open and available but mining requires only a small surface footprint.

However, roads to tidewater must be built; power line right-of-ways must be utilized; site development, camp facilities, docks, tailings disposal sites and loading terminals are all a part of the requirements for building a mine. They can be built with sensitivity to the environment and they need not constitute an aesthetic insult. The Greens Creek Mine only involves a total surface impact of 318 acres, most of which is involved in the road from the portal to tidewater and that is the total surface impact that mine will ever require.

What we are asking is that when you draft this bill you make it perfectly clear that there will be no new inhibitions on mineral exploration and development in the Tongass. It is that simple. We understand the debates concerning the impacts of logging in the Tongass and while we sympathize with our brothers in the timber industry we can offer no suggestions to you as to how to solve that problem other than to say that their concerns are genuine. We need a strong timber industry in this region just as we need a strong mining industry so please understand that we support their objectives; however, do not sacrifice the mining industry in order to resolve the conflicts between the environmentalists and the loggers.

Senator WIRTH. Thank you very much, Mr. MacKinnon.

[The prepared statement of Mr. MacKinnon follows:]

## TESTIMONY OF NEIL MACKINNON
## CHAIRMAN OF THE JUNEAU BRANCH
## OF THE ALASKA MINERS ASSOCIATION

GOOD MORNING MEMBERS OF THE COMMITTEE. MY NAME IS NEIL MACKINNON, AND I AM THE CHAIRMAN OF THE JUNEAU BRANCH OF THE ALASKA MINERS ASSOCIATION; HOWEVER, BECAUSE OUR CHAPTER'S MEMBERSHIP EXTENDS THROUGHOUT SOUTHEAST ALASKA, I AM HEAR TODAY TO SPEAK FOR THE ORGANIZED MINING INTERESTS OF ALL OF SOUTHEAST ALASKA.

WE ARE VERY CONCERNED ABOUT THE PENDING LEGISLATION AND THE IMPACT WHICH IT IS LIKELY TO HAVE ON THE MINING INTERESTS OF THIS AREA, NOW AND IN THE FUTURE. THE COASTAL RANGE IS TEEMING WITH MINERAL DEPOSITS WHICH HAVE ALREADY BEEN IDENTIFIED TO SOME EXTENT, AND IN SOME INSTANCES ARE IN THE PROCESS OF BEING BROUGHT INTO PRODUCTION. HOWEVER, BEYOND THAT THERE ARE MANY AREAS OF HIGH POTENTIAL WHICH EVERYONE AGREES MAY PROVE TO HARBOR EVEN BIGGER DEPOSITS.

IF YOU LOOK ONLY AT THREE OF THE KNOWN DEPOSITS IN SOUTHEAST ALASKA, YOU WILL UNDERSTAND MY POINT. THE GREENS CREEK DEPOSIT IS JUST NOW STARTING COMMERCIAL PRODUCTION. BUT WHEN IT GETS UP AND GOING IT WILL BE THE LARGEST SILVER PRODUCER IN NORTH AMERICA. IRONICALLY, IT IS NOT A SILVER

MINE, BECAUSE THE ZINC VALUES EXCEED THE SILVER VALUES. THAT MINE IS 7% ZINC, HAS 24 OUNCES OF SILVER TO THE TON OF ORE, AND WILL ALSO PRODUCE ENOUGH GOLD TO VIRTUALLY PAY FOR THE CAPITAL CONSTRUCTION COSTS. A SHIFT IN THE PRICE OF LEAD, COULD MAKE IT A LEAD MINE, INSTEAD.

THE FAMOUS QUARTZ HILL IS MINE IS ONE OF THE THREE OR FOUR LARGEST MOLYBDENUM DEPOSITS EVER DISCOVERED ANYWHERE. ALTHOUGH THE PRICE OF MOLY IS NOW COMPARATIVELY LOW, AS SENATOR WIRTH OF COLORADO CAN PERSONALLY CONFIRM, MOLYBDENUM IS SUCH A USEFUL MATERIAL WITH SUCH A HUGE VARIETY OF DIVERSE APPLICATIONS, IT IS OBVIOUS THAT IN A RELATIVELY SHORT PERIOD OF TIME, WE AS A NATION SHALL BE SEEKING TO DEVELOP THAT DEPOSIT TO ITS FULLEST POTENTIAL. THE A-J IN JUNEAU IS SUCH A BIG DEPOSIT THAT IT WILL BE RESURRECTED OVER THE NEXT FEW YEARS TO PRODUCE 125 MILLION TONS OF GOLD ORE IN JUNEAU FOR THE SECOND TIME IN A CENTURY! FOR FIFTY YEARS THE A-J MILL WAS THE HEARTBEAT OF JUNEAU, AND THE SOURCE OF PROSPERITY FOR THE REGION AND FOR ALASKA. IT WILL BE AGAIN.

I MAKE THESE POINTS ABOUT THESE THREE MINES BECAUSE OF THEIR SIZE AND SIGNIFICANCE, AND I DRAW TO YOUR ATTENTION THAT THEY WERE ONLY DISCOVERED BECAUSE OF THE SURFACE EXPRESSION OF THEIR MINERALIZATION. THE NINETEEN MILLION ACRES OF SOUTHEAST ALASKA ARE COVERED BY A VIRTUALLY IMPENETRABLE ORGANIC MAT WHICH MAKES THE DISCOVERY OF EVEN

SURFACE EXPRESSIONS OF MINERALIZATION EXTREMELY DIFFICULT. THE GEOLOGISTS ASSURE US THAT THERE ARE LIKELY TO BE MANY MORE OF THESE ELEPHANTINE DEPOSITS FOUND IN SOUTHEAST ALASKA OVER TIME. AND THIS IS NOT TO MENTION THOSE DEPOSITS WHICH DO NOT HAVE AN OUTCROPPING. HOW MANY MORE ARE JUST TEN OR TWENTY FEET BELOW THE SURFACE.

THERE IS ONE OTHER POINT TO BE MADE ABOUT THESE THREE DEPOSITS AS WELL. OF THE THREE, TWO HAVE BEEN DISCOVERED WITHIN THE PAST DECADE AND A HALF. ALTHOUGH PROSPECTORS AND GEOLOGISTS INCLUDING MY OWN GRANDFATHER HAVE CRAWLED OVER SOUTHEAST ALASKA FROM ONE END TO THE OTHER SINCE LORD BARANOF WAS THE GOVERNOR, THE FINDING OF THE MINERAL WEALTH WHICH WE ALL KNOW EXISTS HERE A HAS BEEN A PAINFULLY SLOW PROCESS. BUT WHEN A DEPOSIT IF FOUND IT TENDS TO BE A BIG ONE.

BUT DO WE WANT MINING IN SOUTHEAST ALASKA? ONLY THE REACTIONARY AND ILL-INFORMED WOULD UNHESITATINGLY ANSWER THAT IN THE NEGATIVE. MINING REPRESENTS NEW WEALTH TO AMERICA. IT MEANS RAW MATERIALS, IT MEANS JOBS, IT MEANS CONTINUED PROSPERITY FOR THE STATE AND THE REGION. MINING IS LABOR INTENSIVE, AND THE PAYROLLS WHICH ARE GENERATED CIRCULATE IN THE LOCAL ECONOMY OVER AND OVER AGAIN. MINERS WHO ARE ASSOCIATED WITH THE GREENS CREEK MINE ARE LIVING IN THE COMMUNITY AND COMMUTING DAILY TO THE MINE. BECAUSE OF THE LOCAL HIRE POLICIES OF THE MINE, THEIR FAMILIES ARE A

PART OF THE COMMUNITY ALREADY, AND THEIR PAYCHECKS HAVE HAD A PROFOUND EFFECT ON THE LOCAL ECONOMY - ALMOST A MILLION DOLLARS A MONTH. THIS COMPARES TO A CONTRIBUTION OF THE JUNEAU ECONOMY OF $13 MILLION PER MONTH BY THE STATE GOVERNMENT. BEAR IN MIND THAT MINING IS VIRTUALLY A NEW INDUSTRY, WHILE STATE GOVERNMENT IS A MATURE INDUSTRY AND POSSIBLY IN DECLINE. WHEN THE KNOWN MINES REACH THEIR STRIDE IN JUNEAU, THEY WILL CREATE NEARLY 900 DIRECT JOBS AND A SIMILAR NUMBER IF SECONDARY JOBS. THESE WILL BE STEADY, FULL TIME POSITIONS WHICH ARE LIKELY TO BE AVAILABLE FOR GENERATIONS.

WITH THIS PREAMBLE, LET ME SPEAK TO THE PROPOSED LEGISLATION. IN THE VIEW OF THE MINING INDUSTRY IN SOUTHEAST ALASKA, THIS LEGISLATION IS GROSSLY DEFICIENT INSOFAR AS IT IGNORES EXISTING MINING ACTIVITY AND MORE IMPORTANTLY ITS POTENTIAL. FIRST, THE SURFACE MANAGEMENT PRESCRIPTIONS ALMOST UNDOUBTEDLY WILL MAKE MINING AND MINERAL DEVELOPMENT MORE DIFFICULT. SECOND, IF AREAS ARE RESTRICTED OR CLOSED TO MINERAL ENTRY THEN THE DEPOSITS WHICH SUCH AREAS MAY CONTAIN WILL BE LOST FOREVER. THIRD, SUCH AN EXERCISE WILL BE CONTRARY TO THE NATIONAL MINERAL POLICY. WHILE THE MINING LAW OF 1872 CONSTITUTES IMPORTANT PROTECTION TO THE FUTURE OF MINING AS ONE OF AMERICA'S FEW REMAINING DOMESTIC BASIC INDUSTRIES, AND WHILE THAT VENERABLE AND DURABLE LAW WILL CONTINUE TO MAKE IT POSSIBLE TO MINE IN THE AREAS UNTOUCHED BY THIS BILL, THE

ENCROACHMENT OF WILDERNESS AREAS ON THE PUBLIC DOMAIN RESTRICT AND RESTRAIN THE GROWTH OF THIS IMPORTANT INDUSTRY.

TEN YEARS AGO WE WENT THROUGH THIS SAME EXERCISE WITH THE DEVELOPMENT OF ANILCA. BESIDES THE ASSURANCE THAT THE ANTI-DEVELOPMENT FORCES WOULD NOT BE BACK TO DARKEN OUR DOOR AGAIN, THE DAMAGE CAUSED BY THAT ILL-CONCEIVED LEGISLATION HAD A WELL-DEFINED AND CLEARLY MEASURABLE NEGATIVE IMPACT ON ALASKA. IN THE YEARS BEFORE THE PASSAGE OF ANICLA, EXPLORATION ALL OVER ALASKA WAS A MAJOR INDUSTRY. VERY LARGE COMPANIES LIKE ANACONDA AND NORANDA WERE HERE TO SPEND MILLIONS OF DOLLARS EACH YEAR IN THE ALASKA ECONOMY. LIKE A GIANT OCTOPUS, ANICLA REACHED OUT AND CLOSED IMMENSE AREAS OF IMMEASURABLE MINERAL POTENTIAL TO ANY FUTURE ACTIVITY, AND THE EXPLORATION DOLLARS DRIED UP.

GREENS CREEK AND QUARTZ HILL, WERE BOTH FOUND AS A RESULT OF THAT ECONOMIC PARTICIPATION BY THE MAJOR MINING COMPANIES OF THE WORLD. BOTH OF THOSE PROPERTIES WERE INCLUDED IN NATIONAL MONUMENTS - AND THEIR INCLUSION WAS NO ACCIDENT. A TOTAL OF SEVENTEEN AREAS IN THE TONGASS WERE REMOVED FROM THE PUBLIC DOMAIN AT THAT TIME. AND WHEN THAT IS COMBINED WITH THE MANAGEMENT STIPULATIONS WHICH HAVE BEEN IMPOSED ON THE REST OF THE TONGASS, WE FIND A CHILLING EFFECT ON THE DEVELOPMENT OF THIS INDUSTRY.

WE ARE NOT ASKING THAT ANY SPECIAL PROTECTIONS BE GIVEN TO THE MINERAL INDUSTRY IN THIS LEGISLATION. WE ARE ONLY ASKING THAT WE BE ALLOWED TO CONTINUE TO SEEK AND DEVELOP DEPOSITS IN THE TONGASS. MINING DOES NOT CREATE ANYWHERE NEAR THE SURFACE IMPACT, FOR INSTANCE, OF CLEAR-CUTTING, BUT IT DOES REQUIRE SOME SURFACE DISTURBANCE. THERE IS A DFFERENCE TO BE UNDERSTOOD BETWEEN EXPLORATION AND MINING AS WELL. EXPLORATION REQUIRES LARGE AREAS TO BE OPEN AND AVAILABLE, BUT MINING REQUIRES ONLY A SMALL SURFACE FOOTPRINT. HOWEVER, ROADS TO TIDEWATER MUST BE BUILT. POWER LINE RIGHTS OF WAY MUST BE UTILIZED. SITE DEVELOPMENT, CAMP FACILITIES, DOCKS, TAILINGS DISPOSAL SITES AND LOADING TERMINALS ARE ALL A PART OF THE REQUIREMENTS FOR BUILDING A MINE. THEY CAN BE BUILT WITH SENSITIVITY TO THE ENVIRONMENT, THEY NEED NOT CONSTITUTE AN AESTHETIC INSULT. THE GREENS CREEK MINE, FOR INSTANCE, ONLY INVOLVES A TOTAL SURFACE IMPACT OF 318 ACRES, MOST OF WHICH IS INVOLVED IN THE ROAD FROM THE PORTAL TO TIDEWATER. AND THAT IS THE TOTAL SURFACE IMPACT THAT THE MINE WILL EVER REQUIRE.

THE A-J MINE, LIKEWISE, WILL HAVE A BARELY PERCEIVABLE IMPACT ON THE COMMUNITY OF JUNEAU. IF TAILINGS DISPOSAL WERE PERMITTED INTO THE OCEAN, AS WAS THE CASE FOR THE ORIGINAL MINE, THERE WOULD BE ALMOST NO DETECTABLE IMPACT AT ALL. THE TAILINGS WILL PROBABLY HAVE TO BE PLACED BEHIND A DAM, AND THAT, UNFORTUNATELY FOR JUNEAU MEANS THAT THERE WILL BE A LARGE NEW LAKE IN WHICH TO FISH, MORE HYDRO POWER

FOR THE PEOPLE OF THE COMMUNITY AND PERHAPS A NEW SOURCE OF FRESH DRINKING WATER.

WHAT WE ARE ASKING IS THAT WHEN YOU DRAFT THIS BILL, YOU MAKE IT PERFECTLY CLEAR THAT THERE WILL BE NO NEW INHIBITIONS ON MINERAL EXPLORATION AND DEVELOPMENT IN THE TONGASS. IT'S THAT SIMPLE. WE UNDERSTAND THE DEBATES CONCERNING THE IMPACTS OF LOGGING IN THE TONGASS, AND WHILE WE SYMPATHIZE WITH OUR BROTHERS IN THE TIMBER INDUSTRY WE CAN OFFER NO SUGGESTIONS TO YOU AS TO HOW TO SOLVE THAT PROBLEM OTHER THAN TO SAY THAT THEIR CONCERNS ARE REAL. WE NEED A STRONG TIMBER INDUSTRY IN THIS REGION JUST AS WE NEED A STRONG MINING INDUSTRY, SO PLEASE UNDERSTAND THAT WE SUPPORT THEIR OBJECTIVES; HOWEVER, DO NOT SACRIFICE THE MINING INDUSTRY IN ORDER TO RESOLVE THE CONFLICTS BETWEEN THE ENVIRONMENTALISTS AND THE LOGGERS.

ATTACHED TO THIS TESTIMONY IS A DOCUMENT ENTITLED "CONFERENCE JUNEAU, ABSTRACTS OF PROFESSIONAL PAPERS". THESE TWENTY-FOUR PAPERS WERE PRESENTED AT A MINING CONFERENCE HELD IN JUNEAU APRIL 20 AND 21 OF THIS YEAR. IF YOU TAKE THE TIME TO REVIEW THIS DOCUMENT, YOU MAY GET A SENSE OF WHAT THE PROFESSIONALS THINK ABOUT THE FUTURE OF THE TONGASS. IF LEFT TO THEIR OWN DEVICES, THERE WOULD BE MINERAL DEVELOPMENT FROM ONE END OF THE FOREST TO THE OTHER, NOT BECAUSE THEY ARE IN TO TEARING UP THE RAIN FOREST, BUT BECAUSE OF THE FACT THAT THE RARE SCENIC VIEWS AND OTHER THE

UNIQUE VALUES OF A TEMPERATE ZONE RAIN FOREST ARE NOT THE ONLY RARE AND UNIQUE QUALITIES OF THE TONGASS. THERE ARE RARE MINERAL OPPORTUNITIES HERE AS WELL.

ONE FINAL POINT SHOULD BE MADE. ALASKA TODAY DEPENDS UPON ITS OIL INDUSTRY TO PERPETUATE ITS ECONOMY. EVERY SINGLE ANALYST AGREES ON ONE POINT IN THIS REGARD, HOWEVER, AND THAT IS THAT THE PRODUCTION FROM PRUDHOE IS ON THE DECLINE, AND IN THE ABSENCE OF A MAJOR NEW FIND, THE STATE OF ALASKA IS GOING TO BE IN A WORLD OF HURT ECONOMICALLY WITHIN THE DECADE. ALREADY OUR LEGISLATURE AND STATE ADMINISTRATION IS RUNNING IN CIRCLES TRYING TO FIGURE OUT HOW IT IS GOING TO PAY FOR THE 21,000 STATE EMPLOYEES NOW ON THE PAYROLL. IT CANNOT DO THAT FOREVER ON THE STRENGTH OF ONE INDUSTRY. IF WE DO NOT HAVE STRONG ALTERNATIVE ECONOMIC BASES UPON WHICH TO RELY IN THE FUTURE, SUCH AS MINING AND LOGGING, ALASKA IS GOING TO BE SENTENCED TO DESTITUTION AND ONCE MORE A WARD OF THE FEDERAL GOVERNMENT. WE FOUGHT HARD THIRTY YEARS AGO FOR OUR RIGHT TO EQUAL FOOTING WITH THE OTHER STATES, AND WON. THE PROPONENTS OF THIS LEGISLATION, IN OUR JUDGMENT ARE NOT ADVANCING ALASKA'S INTERESTS, NOR THAT OF THE UNITED STATES AS A WHOLE, BY LOOKING AT OUR TONGASS FOREST ONCE MORE. WE UNDERSTAND YOUR CONCERNS, WE ARE SYMPATHETIC TO PRESERVING AND PROTECTING THE RAIN FOREST IN A RATIONAL WAY, BUT DEPRIVING US OF THE RIGHT TO DEVELOP OUR RESOURCES IS A BAD IDEA. WE URGE YOU TO ADOPT A RATIONAL APPROACH.

THANK YOU FOR THE OPPORTUNITY TO PRESENT THESE VIEWS, IF I MAY ANSWER ANY QUESTION FOR YOU I WOULD BE PLEASED TO DO SO.

Senator WIRTH. Mr. Leighty.

## STATEMENT OF BILL LEIGHTY, GOLD CREEK SALMON BAKE SUMMERTIME OUTDOOR RESTAURANT

Mr. LEIGHTY. My name is Bill Leighty. I have lived in Juneau for 18 years operating a family operation of Gold Creek Salmon Bake Summertime Outdoor Restaurant.

Last year was our 18th season; we served 35,000 people in our four month season and 80 percent of those people were tourists. We employ 20 people.

First, we depend on the unspoiled splendor of the Tongass to attract those people from the southeast to see the wilderness. To the extent that splendor is spoiled in any way by either timber or mining or roads or highways or tidal waves or whatever, that diminishes the appeal and reduces the number of people that are likely to be attracted there and therefore affects our business and livelihood.

The primary, the highest and best economic use of the Tongass long-term I believe is primarily tourism and fishing. The negative impact can be illustrated by the report we heard from All America West Tours which had four cruise ships here last year. Now their daily bookings have dropped from four to six—from six to four.

Now getting back to southeast Alaska: now secondly, we depend upon a continuous supply of salmon at a reasonable price, the only thing that we serve as the primary ingredient, to the extent that the same kind of negligence and indifference in salmon, the same management that caused the Exxon Disaster prevails and also negatively affects our business and thirdly, as a U.S. citizen, I think we have better uses for our money than continuing to afford million dollar subsidies. If I were you I would put the whole thing in the Head Start Program.

Now 23 specific areas in Section 302 should be permanently protected. This is not a lock-up; our children will have the opportunity to reduce, to reverse your act of Congress with their act of Congress if they see fit. If we do not protect these areas at this time then our children will not have the opportunity

I believe you are contemplating the loss of hundreds, perhaps thousands of jobs in the tourist industry and the timber industry here. We are also contemplating the loss of millions of jobs in the military industrial complex unless the whole world moves beyond war for its primary international conflict with pollution as a condition. We live in turbulent times of change and it is not in our interest to deny the existence of and obstruct this process of change but to understand them and manage them and we are all going to have to change tourism and timber alike, and those of us in the tourism industry will welcome the participation of those in the timber industry to help to build a sustainable long-term economy in southeast Alaska.

I speak in support of 346.

Senator WIRTH. Thank you, Mr. Leighty. Thank you very much. Now I liked your remarks about Head Start as well.

[The prepared statement of Mr. Leighty follows:]

GOLD CREEK Salmon BAKE
Alaska's Original Summertime Outdoor Salmon Feed—Since 1971
Box 020993 Juneau, Alaska 99802-0993 907-586-1424

22 March 89

Senate Energy and Natural Resources Committee; regarding S.346

Dear Senators:

FIRST, tourism-recreation is the highest and best long-term economic use of the Tongass. A quarter-million people visit Southeast Alaska every summer. They all experience the splendid Tongass wilderness. If this splendor is diminished by logging, the quality of their experience will be degraded; fewer people will visit Southeastern. Tourism employment, which exceeds-- and will far exceed, in the long term-- timber employment, will suffer.

Consequently, our family business will be hurt by continued Tongass timber harvest.

We served 35,000 people in the four summer months of 1988; seventy-four per cent were from cruise ships. We employ twenty people. We all depend on the Tongass' unspoiled splendor to attract our clientele, for our living.

SECOND, we serve only salmon. We depend upon the productivity of Tongass spawning streams. Unless very well regulated and policed, logging damages spawning streams, diminishing the supply and raising the price of our product's salient ingredient. Again, we depend on Tongass wilderness.

THIRD, as a U.S. citizen, I advocate better uses for the Tongass timber subsidy money. I'd put it all in the Head Start program, for example.

FOURTH, as global citizens, we need the Tongass to recycle carbon dioxide. We can't criticize Brazil for destroying its forests while we poorly manage ours. We need every tree on Earth, and then some, to slow global warming.

FIFTH, Section 302 of S.346 should permanently withdraw the listed areas from timber or other development. Give our children the opportunity to reverse your Act of Congress by theirs, if they've compelling reasons. Recovery from development damage in those areas would take decades to centuries.

FINALLY, our family has chosen to live in Southeast Alaska these past eighteen years largely because of the unspoiled beauty of the place. Harvesting the Tongass diminishes the quality of our lives. Therefore, please let it be.

Past decades of our short-term thinking-- about many issues-- will cost us turbulent and uncomfortable decades, ahead. Let's think long-term, now-- about the Tongass, education, energy, security, etc.-- to ameliorate that turbulence.

Thank you for your consideration. Sincerely,

William C. Leighty, Proprietor
Nancy J. Waterman

attached: photos of our business

## STATEMENT OF JAN ROSS, REPRESENTING ALASKA CRUISE LECTURES

Ms. Ross. My name is Jan Ross and I am a 35 year resident of Ketchikan. I represent the group Alaska Cruise Lectures, a group of 15 women who have been in the business of lecturing on cruise ships for 20 years. We accompany the ship through the Inside Passage to Anchorage and return, giving slide presentations on each port of call and commentary from the ship's bridge on slights of interest along the way. We mingle with the passengers to answer questions and give them a view from the other side of the rail. The interest in our program is probably exceeded only by mealtimes.

Bear in mind that the majority of these people are first-time visitors to Alaska and know only what they have read or heard and they are extremely interested in our lifestyle, the wildlife, oil, fish, forests and logging methods and dead trees on the hillsides and the muskey areas, which some are convinced are scars left by clearcutting. We are with these people for two solid weeks and get to know those who are especially concerned about the environmental issues.

The logging industry is an up-front concern to them because of all the information in the news media, which often is based more on emotions and scare tactics than on the real facts. They have come with the preconceived mental pictures of a land laid naked from clearcutting, of hillsides and valleys barren of trees.

This mental picture is somewhat confirmed by what they see during a portion of their trip through British Columbia. We explain that logging practices in Alaska are more restrictive than in B.C. As the ship sails through Alaskan waters they begin to see the difference and they are amazed at the hundreds of miles of heavily forested hills and valleys and the lack of devastation that they had heard about. They notice the lush green areas of regrowth and the beauty is especially noticeable to them when compared, side by side, to the old growth that is peppered throughout with dead and dying trees.

This, we take for granted, but first-time visitors with a mental image of barren and scarred hillsides find it difficult to contain their expressions of admiration for the unexpected beauty. They begin to realize that they may have been deceived by the news media and by those who would like to see Alaska one vast wilderness area. Even the occasional bear or deer that might be spotted along the beach leaves an impression on their minds, as they had been led to believe that the wild animals of Alaska have been driven by development to parts unknown.

They are amazed at the immensity of the Tongass National Forest. They see for themselves the vast amount of old growth timber going to waste due to disease, blowdown and fires. They see firsthand that the old growth forests are subject to devastating fires with so many trees that are dead, dying and bone dry. They realize that the economy of this country is forever losing the benefit of this wasted timber. It becomes obvious to them, after seeing firsthand, the size of the Tongass and the vastness of its trees, that the present harvest level is not destroying the forests.

Finally, near the end of the voyage many will come to us to express their satisfaction and joy at learning that Alaska is not being denuded of its forests. They see for themselves that controlled clearcutting is truly a sensible means of replacing the old dying forest with new healthy trees and that with this sensible, balanced approach to forest management there is room in this huge forest for everyone.

Senator WIRTH. Thank you, Ms. Ross. Mr. Pihlman.

## STATEMENT OF DALE PIHLMAN, FISHERIES BIOLOGIST, ALASKA DEPARTMENT OF FISH AND GAME

Mr. PIHLMAN. Yes, Senator Wirth, I welcome you to Ketchikan and thank you for taking the time to come and listen to our concerns about the management of the Tongass.

My name is Dale Pihlman, I am a second generation Alaskan and fisheries biologist currently with the Alaskan Department of Fish and Game and also I have been a commercial fisherman for about 15 years.

Currently I operate three tour buses out of Ketchikan; I employ approximately 12 individuals, mostly college students, and host about 8,000 visitors per year.

I would like to start my testimony by taking note of a certain set of facts that bring us here today. The Tongass has long been grossly mismanaged by the U.S. Forest Service. The fact that you are here today is evidence of that. If the Forest Service had done its job managing the forest in a balanced way, Tongass would not be involved in the Forest Management as it is now. For as long as I can remember the Tongass has been managed as a tree farm with little consideration given to other values, such as fish and wildlife and wilderness recreation. As a fisheries biologist and a commercial fisherman I am continually frustrated by the destruction of salmon-spawning streams. Today I watch in apprehension as old-growth timber disappears, steadily decreasing the number of areas to which I can take my clients.

One does not have to cut down the forest to have it generate revenue. As the world's population increases the availability of wilderness in southeastern Alaska becomes increasingly valuable as a visitor attraction. A recent state survey indicated the state's number one attraction was not Mount McKinley but the Inside Passage, first of waterways.

I am not against timber harvesting and I have worked in timber-related jobs. As a college student I spent time longshoring, loading ships with cans and bales for ports of call. I worked on a tugboat loading logs and I recognize the value of the timber industry in the local economy.

Senate Bill 346 would not weaken the timber industry, but rather provides the best for all. The legislation provides protection for areas valuable to the wilderness recreation and visitor industry but it still provides latitude for increased timber harvest.

Also removing the mandate of the $40 million appropriation brings a positive element of fiscal conservatism in a time of national need.

I thank you for your efforts to bring the multiple use.

Senator WIRTH. Thank you very much, Mr. Pihlman. We appreciate all of you being here this morning and your colleagues.

Do you have any comments you would like to make?

Senator BURNS. I have a question, Mr. Chairman.

Now Mr. Leighty, I come from a wheat-producing state.

Mr. LEIGHTY. I was raised in Idaho.

Senator BURNS.Well, I am concerned about the international relationship in the Pacific Ocean in regard to salmon. I think I can probably take care of two problems with one stone. We do not want any more salmon fish taken. It helps my beef industry—we will let our U.S.S.R neighbors and Japanese neighbors have the salmon.

Any reaction from you on that? Indeed, it probably violates the free-market mechanism.

Senator MURKOWSKI. I do not think it does. What I am saying is I do not want any more salmon being taken. In other words, would that affect your business?

Mr. LEIGHTY. Not allow us to be a salmon operation any more? I suppose we could serve beef. [Laughter.]

We could move on to other things but there is a local salmon market and a lot of it is being produced, especially in Europe and South America and Japan. Of course that would be on the market and replace the Alaska-caught fish.

Senator WIRTH. What is the difference between salmon from a fish farm and salmon that is fresh caught up here?

Mr. LEIGHTY. There is a variety of opinions on that. Of course the Alaska-caught salmon is superior in all regards. [Applause.]

One opinion I heard just yesterday from the manager of the Icicle Seafood Plant in Petersburg is that the farm fish is literally softer, they call it number two fish because it has not been swimming freely in the ocean and it has not been exercising its muscles and if we were raised on beef like that we would be a little soft too. [Applause.]

Senator BURNS. The point I am making is directly impacting any kind of Tongass legislation. I am wondering if our attitudes should change. That is the point I am trying to make here. I think you sort of stepped around that very well.

Mr. LEIGHTY. I think you are trying to look around beyond our provincial interests and it is our business and it is what is going to be the best in the long term for all of southeast Alaska and the whole planet. I think in the long term the highest and best economic use of the Tongass includes the forest industry, of course, some timbering but it includes emphasis on tourism and fisheries; I think that that is where the big money is. For example we have hardly scratched the Japanese market. They are going to buy half of Hawaii and California and have money left over that they are desperate to invest and they want to come here. They have not scratched that market yet.

Senator BURNS. I wanted to spend some money on fish but I want to ask Mr. MacKinnon one question. Are you in favor of any mandatory actions on the 1872 Mining Law?

Mr. MACKINNON. I think the 1872 Mining Law is eroded in history, it goes beyond—further and beyond. Our national experience beckons the middle ages. I think there can be some changes.

Senator WIRTH. Thank you very much, Mr. MacKinnon.

Thank you very much, Senator Burns. I think the point is that if we—if there is less salmon fishing in the high seas the demand for food will still be out there in China and elsewhere and the Soviet Union, is that right, and that demand would be met by those countries that come into this country and buy out—and buying also our beef.

Senator **Burns**. You might feed it down there but it starts up in our country.

Senator **Wirth**. Thank you all.

Mr. **Pihlman**. If it pleases you, I have some Alaska Department of Fish and Game documents relating to the management of the stream problems; would you like those in the record?

Senator **Wirth**. Sure. Thank you very much, we appreciate you being here.

What we are going to do now is take a short three-minute recess and then back to Panel VI and Panel VI can move in to the—we will have our final panel slip in to the on-deck circle.

[Recess taken.]

Senator **Wirth**. The committee will come back to order.

While I am introducing this panel you might have Panel VII join us.

The sixth panel: Mr. Martin Pihl is President and General Manager of Ketchikan Pulp Company; Thyes Shaub, of Government Affairs and Butch Durette, owner of Durette Logging Company; Sally Coady, President of Alaska Women in Timber and John Bukoskey, International Representative of the International Longshoremen's and Warehousemen's Union.

We thank you all very much for being with us.

We will start with you, if we may, Mr. Pihl.

## STATEMENT OF MARTIN R. PIHL, PRESIDENT AND GENERAL MANAGER, KETCHIKAN PULP CO.

Mr. **Pihl**. Mr. Chairman and members of the committee and staff. I thank you for coming to Ketchikan and thank you for this opportunity to testify. I have submitted extensive written testimony for the record on this vital issue, also a brief oral summary which I will just have to brief you from.

We would like to make clear at the outset that we respectfully oppose Senate Bill 346 and H.R. 987, which are designed to undo the 1980 ANILCA Compromise, to circumvent the congressionally-mandated planning process, to lock up additional land base and to lower the harvest levels on the Tongass National Forest. That is radical legislation and will over time destroy economics and some participants, I repeat, some participants of the timber industry.

Cancellation of the KPC contract is wrong, bad policy and would be very very costly to the American taxpayers. As to individual contracts, if concerns exist they should be addressed between the parties. If this is concerning any individual contract, it should not be driving the legislation which has a far-reaching impact on the people in communities of Southeast Alaska. We want to emphasize that. Our current operations have never been brighter in outlook. We have a new sawmill that involves 75 new jobs. This will result in higher stumpage values to the government over time. There are sections in my testimony on environmental stewardship and employment. We employ 950 employees in the area and support 1,200 to 1,500. During 1988 our average employee made about $40,800, including $3,300 in profit-sharing. The markets have seen a dramatic recovery. The KPC contract is the foundation and stability of the timber industry here. No pulp mill anywhere operates without a continuing supply of timber in some form. There can be no question about it. Our contract is no longer long term—just fifteen years remaining—and from our viewpoint more important.

Stability is very important in the pulp mill and the contract perimeter on land areas—yes, I see the red light.

Senator WIRTH. We will put the statement in the record.

Mr. PIHL. If I may, may I just put in a little bit here?

The simple fact of the matter is that timber harvest and other resource values can both exist in such areas as the Calder-Holbrook, and we have shown that we are willing to cooperate in giving protection in these areas, particularly the professional process preferable but we are willing to discuss results of mapping of some of the particularly sensitive areas to provide protection. The same survey that Mr. Amends has quoted from, Sealaska supports protection for not more than seven areas and just portions of the areas. If we can do that and have a good timber program, we can protect the other values too.

Thank you very much.

Senator WIRTH. Thank you very much, Mr. Pihl.

[The prepared statement of Mr. Pihl follows, exhibits retained in subcommittee files:]

## TESTIMONY BY

**Martin R. Pihl, President and General Manager**
**Ketchikan Pulp Company**

**BEFORE**

**The Subcommittee on Public Lands, National Parks**
**and Forests of the Energy and**
**Natural Resources Committee**
**United States Senate**

**Ketchikan, Alaska**

**April 24, 1989**

Mr. Chairman and members of the Committee, thank you for this opportunity to testify. My name is Martin R. Pihl. I am President and General Manager of Ketchikan Pulp Company (KPC). I have been a resident of Ketchikan and an employee of KPC for 27 years. Accompanying me today are Owen Graham, our Logging Manager, and William Phillips, a partner with the law firm of Hopkins, Sutter, Hamel & Park, to assist in answering any questions you might have that are not covered in my prepared remarks.

Since so many erroneous statements have been made about the topic, my remarks today will deal primarily with the long-term contract between the United States and Ketchikan Pulp Company (A10fs-1042), as currently modified. It should be made clear at the outset, however, that for reasons detailed in earlier testimony we respectfully oppose passage of legislation which is designed to undo the 1980 ANILCA compromise, to circumvent the Congressionally-mandated planning process, to lock up additional land base, and to lower the harvest levels on the

Tongass National Forest. In most respects, proponents of Tongass reform legislation have as their real objective to destroy the timber industry in Southeast Alaska which will have drastic effect on the economic viability of the area.

As to individual contracts, desired changes, if indeed legitimate concerns exist, can and should be handled between the parties. Such modifications have been made in the KPC contract over the years as needs have arisen. We submit that the history of KPC's performance under its contract indicates the appropriateness of the bargaining table -- not the halls of Congress -- as the proper forum to make necessary revisions, if any, to the agreement between KPC and the federal government. We do not believe issues concerning individual contracts should be driving legislation which has far reaching impact on the people and communities of Southeast Alaska.

## BACKGROUND

The joint resolution of the House Interior and Agriculture Committees adopted in 1947 which recommended and authorized the Secretary of Agriculture to sell timber within the Tongass National Forest clearly stated the intent, need, objectives and the importance placed on establishing a timber industry in Southeast Alaska in the following quotation from that authorizing legislation:

> [I]t is believed that the prompt enactment of this measure is of the utmost importance

> to the Territory of Alaska and to the United States as a whole.
>
> A large-scale development of the timber resources in southeastern Alaska, involving the establishment of important business enterprises and the employment of many persons for extensive operations on a year-round basis, is essential to the maintenance of a prosperous and stable economy in the Territory. Heretofore, Alaska has been handicapped by the seasonal nature of the principal industrial activities conducted within the area. A timber program of the sort mentioned by the Secretary of the Interior would be of great benefit in assisting the people of Alaska to progress from the present dependence upon seasonal business operations. Moreover, such a development within the Territory would be a great value to the Nation as a whole, both from the standpoint of making available to the national economy valuable and sorely needed products from the great forests in southeastern Alaska and from the standpoint of promoting the national defense through increasing the population and industrial capacity of Alaska as our "Northern Rampart."

Culminating many years of effort and negotiations by Forest Service officials on behalf of the U.S. Government, KPC entered into the first long-term contract in 1951. KPC, a domestic company from its inception, remains the holder of this contract. This contract represented the Government's first success in finding a private party willing to invest the huge sums of money necessary to build a pulp mill in Southeast Alaska.

This was an undertaking with definite risks, but this pioneering venture established the foundation for the many operations working under the management of the U.S. Forest Service to put to work and renew a small portion of a decaying forest through sustained yield forestry. KPC, consistent with the expectations of the long-term contract, has worked hard over time to develop complete utilization and maximum value of the timber resource being harvested in Southeast Alaska.

## CURRENT OPERATIONS

We operate fully integrated forest products operations starting with our timber harvest operations concentrated on the northern half of Prince of Wales Island and the northwest corner of Revilla Island. Working with the Metlakatla Indian Community we operate sawmill facilities on Annette Island. Attached as Exhibit E is a copy of Mayor Atkinson's letter of August 22, 1988 explaining the importance of this operation to the Metlakatla Indian Community. We have recently brought on line a new $13 million small log sawmill at Ward Cove which will produce 60 million board feet of planed dimension lumber annually for export and domestic markets. Our new sawmill has created 75 new jobs and is a major advancement in utilization to develop maximum values and improved economics in the forest harvest and conversion equation. This will result in higher stumpage values and payments to the Federal treasury and local government bodies. These operations are supported by and operated in conjunction with our pulp mill at Ketchikan.

## ENVIRONMENTAL STEWARDSHIP

We have attached as Exhibit A a three-page "History of Environmental Control at Ketchikan Pulp Company (1/27/89)", which outlines our record of environmental stewardship over the entire term of our operations. You will note that care for the Alaska environment was recognized when our mill was built in selecting the magnesia base pulp process which employs chemical recovery. We are currently meeting National waste water discharge standards. We have met air emission standards on our recovery boilers since 1978. We are proud of this record and intend to continue good stewardship of the environment.

## EMPLOYMENT

Our operations have met the goal of bringing substantial year-round employment to southern Southeast Alaska. This has been done based on the primary manufacture requirement, developing on-shore jobs and processing the forest resource to the fullest extent possible in Alaska. KPC currently has 900 employees. By July 1, 1989, this will increase to 950 with two-shift operation of the new sawmill. KPC supports direct employment including contract logging, road building and transportation personnel of 1,200 to 1,500 in the greater Ketchikan - Metlakatla - Prince of Wales area of Southeast Alaska. KPC is by far the largest employer in this region, and much of the service and support industry is dependent upon the continued viability of our operations. Prior to the establishment of our operations, employment in the area was totally seasonal and boom-bust cycles had been the rule. Southeast Alaska today is the bright spot in the Alaska economy because of the strong renewable resource industries in our region.

KPC's employment base mirrors the population make-up of Southeast Alaska. Alaska Natives comprise 35% of the total workforce at KPC. At our sawmill complex on Annette Island, 80-90% of the jobs support members of the Metlakatla Indian Community.

Our employees enjoy steady work, good wages and benefits. Indeed, during 1988 our average full-time worker earned $40,800, plus benefits. These amounts of compensation are greatly in excess of the private employment statistics for our state as a whole. Commencing in February, 1987 we instituted a profit sharing plan for all employees. Under this plan ten percent of the company's pre-tax profit each month is shared equally on a per capita basis with all employees. During 1988 profit sharing added $3,300 to each employee's annual earnings. Gross salary and wages for all KPC employees in 1988 amounted to $32,000,000, plus benefits. Total KPC expenditures in the Ketchikan - Metlakatla - Prince of Wales economy are over $5,000,000 monthly.

More than anything, we want to emphasize that KPC's position, on behalf of its employees . . . its shareholders . . . and the communities in which we operate, is simple. We desire that the U.S. Government live up to its commitments which are part of our contract. We know how to manage a forest products operation . . . to log, and operate sawmills and a pulp mill . . . all on the basis of generating the highest economic return and value to the tree. We know how to accomplish these tasks within the framework of our long-term contractual relationship with the federal government. We have operated on the contract . . . through thick and thin . . . for 35 years. Our achievements are the result of the efforts of our dedicated employees, many of whom have worked at KPC for extensive periods of time.

## MARKETS

We have seen dramatic recovery since 1986 in markets for both pulp and lumber. Attached as Exhibit B is a summary of KPC total net sales by country for the years 1986, 1987 and 1988. Environmentalist claims that our markets are being eliminated and that our products all go to Japan are simply untrue. While Japan is, and always will be, a very important customer, we do business in broad domestic and world markets. KPC exports of $134 million in 1988 clearly make a substantial contribution toward a favorable balance of trade for our Nation.

In August 1987, the world market price of dissolving pulp passed the previous all-time high set in 1980. Market improvements have progressed steadily quarter-to-quarter since 1986 and improvement is continuing into 1989. Attached as Exhibit C is a summary of KPC net pulp sales by country for years 1986, 1987 and 1988. This shows broad marketing in that in 1988 we shipped 21 percent of our pulp to important domestic customers, some of which use our pulp in the defense industry. A letter summarizing the importance of our pulp to one such domestic customer, Hercules Incorporated, is attached as Exhibit F. The balance was shipped to 20 countries world-wide to every continent except Australia and Antartica. No country took over 22 percent of our export pulp. The largest customer base was in Taiwan, with India second.

The applications of Ketchikan dissolving pulp are extensive. Listed below are some of the myriad of end products produced from KPC pulp:

1. Viscose Rayon - clothing, upholstery, curtains, carpeting, industrial belting, hosing, tires, cellophane/packing, sponges, twine, bristles and flock.

2. Cuprammonium Rayon - high fashion clothes, women's undergarments, suit linings, artificial kidneys, non-wovens, i.e. disposable protective clothing.

3. Nitro Cellulose - dice, encapsulated electronic equipment and other moldable products, high speed printing inks, explosives and lacquers.

4. Microcrystalline Cellulose - pills and caplets, dietary bakery goods, emulsifiers, i.e. sandwich spreads, low calorie ice creams and cosmetics.

5. Carboxymethyl and Ethyl Celluloses - emulsifiers, i.e. paints and coatings.

6. Specialities - formica, artificial leathers, molded luggage and laminates, tissue and specialty papers.

Thus, cellulose, a basic component of wood, is purified in the pulp process and converted into numerous useful end products in today's world of modern technology.

## STABILITY OVER TIME

The existence of a viable pulp mill(s) provides the real assurance of continuing the many hundreds of year-round jobs in the timber industry. Without our pulp mill greatly aggravated unemployment would have occurred in our region during the period 1981 through 1985, when our local timber industry (as the forest products industry elsewhere) faced the most severe and prolonged recession in its history. The current replacement cost of KPC's pulp mill, would be at least $400 million. With this asset-investment base, with the long-term agreement with the United States for assured timber supply at competitive rates, and with a world-wide customer base developed over time, one is driven to manage and operate a pulp mill through both good and bad markets. Sawmills also are a vital part of integrated timber operations, and KPC has three sawmills, but time and practice has shown it is an easier decision to shut down sawmills when markets are poor. In contrast, we continue to run our pulp mill based on incremental economic contribution considerations.

It is true that the timber industry in Southeast Alaska went through very difficult times in the first half of the 1980's. There were many factors which combined to aggravate and extend the down cycle. However, since 1985 the situation has thankfully changed for the good. This dramatic change has occurred for several reasons. Our situation during the early 1980's was greatly aggravated by the inordinate escalation in logging costs, which began in the early 1970's and continued thereafter. A large part of the cost escalation was driven by enactment of laws and implementation of regulations by Congress and the Forest Service. Our analysis shows that the cost to KPC alone of logging cost increases above general inflation amounted to $155 million from 1970 through 1985. Since 1986 logging costs have been brought more in line. This has been one of the key factors in our dramatic economic recovery.

We have restructured our operations and costs internally so that today we believe we are as competitive as we can be in these areas. Forest Service appraisals, using regional average data, in determining the stumpage rates for KPC's contract on March 1, 1984 compared with August 1, 1988 show a $75 per MBF (log scale basis) reduction in manufacturing costs for conversion of logs to lumber and pulp. KPC has consistently been an industry leader in developing economics of return on the forest harvest. KPC's recent construction of its new small log sawmill at Ward Cove is a significant example of this effort.

## CAPITAL INVESTMENT - DYNAMICS

Continuing to build for the future and relying on its contract with the government for timber supply, KPC made the follow capital investments during 1988:

| | | $ millions |
|---|---|---|
| 1. | Construction of new small log sawmill (completed March 1989) | $11.8 |
| 2. | Logging equipment | 6.0 |
| 3. | Pulp mill additions and improvements (including environmental control facilities) | 9.0 |
| 4. | Logging roads | 8.5 |
| | | $35.3 |

## KPC STUMPAGE RATES ARE POSITIVE

The economics of Southeast Alaska forest harvest and processing are now solid and returns for economic stumpage are very positive. Under the upward stumpage adjustment provisions in KPC's contract (Sections 2(b)2 and 2(c)2), the Forest Service has adjusted the stumpage rates for volumes for all species actually logged from August 1 - December 31, 1988, up to an average of $68.03 per thousand board feet (MBF). This represents a 32-fold increase from the rates set by the Forest Service effective March 1, 1984. With continuing quarterly market improvements, Forest Service Appraisal Handbook Directive #57 issued on December 28, 1988 indicates an average stumpage rate in the range of $75 to $90 per MBF. The Forest Service is using Appraisal Handbook Directive #57 in reappraising KPC's stumpage rates effective March 1, 1989.

Only in Alaska does the Forest Service collect and use end-product pulp selling values in the appraisal process and setting of stumpage rates. This means the Forest Service is able to use actual product values and the entire economic equation of Southeast Alaska forest products operations in managing the forest and determining stumpage rates.

We have all heard environmental claims that the price for cutting a giant old-growth spruce tree is equated with the price of a "Big Mac". In fact, the KPC stumpage rate recently redetermined by the Forest Service for saw volume spruce is $230 per MBF, meaning the stumpage price for an individual eight foot dbh (diameter at breast height) spruce tree is $5,000 or more. In the same Forest Service stumpage redetermination for KPC, the average stumpage rate for Alaska Yellow Cedar is $580 per MBF.

This clearly indicates that the "Below Cost Issue" should no longer be an issue. The bottom line of forest harvest, development of integration, and free enterprise practice by KPC is enhancement of economics and stumpage values.

## LONG-TERM CONTRACT(S) - THE FOUNDATION

There can be no question but that the long-term contract(s), together with the pulp mill(s) constructed as a requirement of the contract, is the foundation of the timber industry in Southeast Alaska. On these foundations the timber industry has become the year-round and a principal mainstay of the economy of Southeast Alaska.

The General Terms of KPC's long-term contract describe clearly the underlying conditions and assumptions. Both the U.S. Government and KPC stated their intention to facilitate the pioneering of a larger scale timber industry which has become a primary and the only year-round industrial base underpinning the economy of Southeast Alaska. The old growth climax forests of Southeast Alaska contain a high percentage of over mature and decaying material which is not saw grade and is only suitable for pulp. (Pulp grade material comprises nearly 50 percent of the volume of timber harvested in the Tongass.) For this reason, officials of the U.S. Forest Service knew it would necessitate construction of a pulp mill to provide a foundation for developing the timber industry.

**Today**, having the pulp mill(s) supported by its long-term contracts is as essential as ever before . . . for these reasons:

1. The shrinking federally-owned land base available for multiple use forest management due to wilderness

withdrawals, reserves and study areas and Alaska Native land selections has forced harvest on the Tongass to lower quality timber stands containing an even higher percentage of pulp grade material than was the case in earlier years.

2. To remain viable independent sawmill and logging operations throughout Southeast Alaska must have assured outlets for both residual chips and pulp grade material on a continuing basis.

3. The pulp mill serves as an essential outlet for pulp grade material from the harvest on Native private lands. Substantial harvesting has occurred on private land since 1980. This logging, which should not be confused with Tongass National Forest operations, has added a new dimension, at least temporarily, to the timber industry in Southeast Alaska.

Also today, KPC's contract is no longer "long-term". There are only 15 years remaining on the initial 50 year term. Short-term contracts run up to 10 years.

And tomorrow, meaning over the next few years and on into the future, the contract-pulp mill foundation will be ever more important to the people and economy of Southeast Alaska, since the volumes of harvest from Native private lands will greatly diminish as a result of the cut-over of these land areas.

## PROVISIONS OF THE KPC CONTRACT WITH THE UNITED STATES

The KPC Contract with the United States has been mischaracterized at times during recent discussions about pending legislation affecting the Tongass National Forest. A copy of the current agreement is available and should be reviewed closely. The following comments are accurate as to the KPC agreement itself.

## VOLUME REQUIREMENTS

The KPC Contract provides, both in the Preamble and in Section 1, that the Government will provide KPC no less than 1.5 billion cubic feet (or 8.25 billion board feet) of timber from designated areas of the Tongass National Forest during the initial 50-year period of the contract. The designated sale area, also called the primary area, is located generally on the northern half of Prince of Wales Island and the northwest corner of Revilla Island in Southeast Alaska. Provision is made in Section 1(a) of the Contract for additional areas (called contingency areas), if the requisite volume is not found in the primary area. Section 1(e) of the Contract gives the Regional Forester the right to sell two percent of the volume in any value comparison unit (VCU) in the primary sale area to others for ultimate use in Southeast Alaska, if such sale will not materially interfere with the operations of KPC.

The following chart indicates amounts harvested by KPC under the Contract since its inception:

| Period (CY) | Volume (MBF) |
|---|---|
| 1954-1978 (24 + years) | 3,776,089 |
| 1979-1983 (5 years) | 596,720 |
| 1984-1988 (4 years) | 747,652 |
| TOTAL 1954-1988 | 5,120,461 |

This clearly shows contract performance by KPC in maintaining timber harvest levels.

Thus, at the end of 1988, a total of 3,129,539 MBF remained to be harvested during the next 15 years. During calendar year 1989, KPC expects to harvest an additional 220,000 MBF (220 million board feet). Utility log scale volumes are counted as part of the KPC long-term sale volume.

For administrative and management purposes, the Contract term is broken into five-year periods, pursuant to Section 1(b) of the Contract. Currently, at least 960,000 MBF must be offered to KPC during each five-year term, or 192,000 MBF per year.

Pursuant to the Contract, the timber offered must be economically viable. Given the pricing mechanism under the Contract (under which KPC must pay no less than base rates for timber to be harvested, even if the appraised value is lower), the Forest Service must select sale areas that make economic sense, since Section 1(d) of the Contract requires that KPC cannot be placed in "a disadvantageous position with respect to similar enterprises in the Puget Sound region."

## FOREST SERVICE PLANNING PROCESS

The Forest Service Timber Management program of necessity must be geared to meet the volume commitments of each program or division of its planned annual harvest. The planning process and NEPA process for each timber sale cutting unit is the same regardless of the contract term, total contract volume, or type of timber sale. Cutting units are small blocks of timber currently limited by the National Forest Management Act to a normal maximum size of 100 acres. Since the planning and permitting process is the same for each cutting unit, it makes little difference whether volume commitments are met in a large number of smaller volume timber sales or a lesser number of larger volume sales.

Any potential impact of the larger volumes associated with the KPC agreement on the planning process would occur only if the Forest Service administratively delayed or changed the specific areas to be harvested. The impact of the larger volumes of the KPC long-term sale is integrated into the planning process by using the following steps:

1. Preliminary selections by the Forest Service for the upcoming five-year period are to be made one-year in advance to facilitate scheduling of operations and to allow the Forest Service time to do an adequate appraisal.

2. Designation of and establishment of cutting unit boundaries are made by the Forest Service as its planning and lay-out is completed during the five-year period.

3. Releases to KPC for road building and harvest are made 90 days in advance of operations, and annually KPC submits a harvest plan for approval by the USFS. The release and harvest plan approval process is much narrower than the five-year plan.

In terms of timing of similar tasks, the only difference could be that the smaller-volume timber sales are generally more fully marked on the ground prior to bidding, as compared to the situation involving the volume associated with the KPC long-term contract at the beginning of a five-year period. However, no difference exists if one compares the level of pre-bid planning on the smaller volume timber sales to the planning which has occurred prior to release of a cutting unit to KPC for harvest.

## KPC CONTRACT AMENDMENTS STATUS

KPC's long-term contract has been modified in all respects for consistency with Section 15(b) of the National Forest Management Act (NFMA). Forest Service Chief Robertson confirmed this in testimony on December 10, 1987. Even prior to enactment of NFMA in 1976., a number of changes similar in nature to those mandated by NFMA had been made. In 1979, contract sections 1(c), 1(f), 8, 10, 20(a), 20(b), 21(a), 21(c), and 26 were changed with specific identification by the Forest Service as being NFMA-mandated. A summary and specific section-by-section language changes as submitted by the Forest Service on these contract modifications is attached as Exhibit D. The Forest Service has made other changes such as in Section 4 which further NFMA compliance but were not identified as NFMA-mandated.

Moreover, the Forest Service has, in many cases, imposed change in the management and operation of KPC's contract well beyond the standards and requirements of NFMA. For example, our clear-cut size has averaged about 65 acres whereas the standard set by NFMA is 100 acres (or larger when consistent with silviculture and environmental standards).

Important contract provisions to the Government dealing with upward stumpage price adjustment and protection for species variation which were negotiated into the KPC agreement effective January 1, 1987, are discussed below.

## PRICING OF STUMPAGE

Stumpage appraisal values for every sale of timber from the Tongass National Forest are determined in the identical manner, using the same Forest Service handbook procedures and data.

Many factors influence the price of stumpage paid on individual timber sales, including supply, demand, quality of timber, utilization standards, location, physical factors, volume per acre, cost of access and facilities, etc. The Forest Service, in materials previously submitted to the House Committee on the Interior, stated the following:

> The appraisal method and data does not differ between the two types of sales. Both use the same appraisal process and the most recent selling price and cost data available at the time of the appraisal. Short-term sales are generally of better quality, contain a greater proportion of higher value species and have less difficult access, camp and road requirements (emphasis added).

Later in the same submission, the Forest Service states:

> It must be remembered that the long-term sales were sold with much different requirements and financial responsibilities than are short-term sales. First, the holders of the long-term sales were required to build and continue operation of a pulp mill. In addition, they must meet maximum and minimum cutting schedules, as well as face uncertain harvest areas and logging requirements in future rate periods. The price set through the rate redetermination process cannot be refused such as in the case of a short-term sale bidder. The small sale operator has the flexibility of choosing the sales on which to bid, and can select those which appear to provide a desired economic return at the price bid.

Short-term sales normally occur on areas where some portion of the road systems previously has been completed by a long-term or other sale operator. The Forest Service has concentrated preroading expenditures to benefit short-term sales. Such benefits properly should be reflected in higher appraisals and stumpage prices.

A very important stumpage price difference exists due to differences in utilization standards. Several years ago the standards of SBA and independent timber sales were relaxed to require removal only of all material in excess of 50 board feet. KPC removes all material down to the earlier more rigid 10 board foot standard. This difference should produce a difference in stumpage prices.

A number of provisions of the KPC contract bear directly on the valuation of stumpage. Notable among them are:

Section 1(d) -- Puget Sound clause;
Section 2(a) -- Initial Rates and Adjusted Rates;
Section 2(b)1 -- Scheduled Rate Redetermination;
Section 2(b)2 -- Periodic Rate Adjustment;
Section 2(c) -- Emergency Reappraisals;
Section 2(d) -- Minimum Stumpage Rates; and
Section 2(e) -- Contract Modifications.

Nearly all of the remaining provisions of the contract ultimately have some bearing on the stumpage value. This is not unlike most commercial contracts.

One issue that has been distorted in earlier testimony in Congress is the adjustment of stumpage rates during the five-year operating period. The KPC contract does provide for both upward and downward adjustment of stumpage rates during the relevant five-year period, if there is a determination within the period of substantial changes in markets or other pertinent economic conditions affecting the Forest Service appraisal. Statements to the contrary are simply wrong. We have already noted the effect of just such a recalculation by the Forest Service effective August 1, 1988.

Another issue which has been distorted relates to the so-called "high-grading" issue. Section 2(b)2 of the KPC Contract provides for quarterly recalculation of stumpage rates based on actual species volumes harvested if at variance with the species estimates used by the Forest Service in its appraisal. Again, statements to the contrary are simply wrong.

## CANCELLATION OF THE KPC CONTRACT IS UNWARRANTED AND BAD POLICY

Earlier in this testimony I have tried to explain the importance to KPC of its long-term agreement with the United States -- and the importance of the continued viability of our pulpmill operations to the timber industry and overall economy of Southeast Alaska. I have described the contents of that agreement and hopefully have shown that our current contract meets alleged concerns that have been expressed earlier by some who seemingly have not read our contract and clearly do not understand how it operates. We at KPC believe we have met our part of the bargain and respectfully submit that cancellation of the contract does not make rational sense from a policy standpoint.

In addition, there are legal ramifications to cancellation of the KPC contract. KPC believes that under well-established and fundamental legal principles, the Congress is not at liberty to cancel the KPC long-term sale. Contracts with the United States, as do other kinds of contracts, give rise to private rights, and it is well settled in the decisions of the U.S. Supreme Court and the lower federal courts that unilateral cancellation by the federal government of one of its contracts deprives the private party thereto of property without due process of law. We have therefore been advised that legislation affecting a cancellation of KPC's contract would be subject to a strong challenge under the Due Process Clause of the Fifth Amendment.

Even if contract-termination legislation survived a constitutional challenge, Congress by enacting such legislation would undertake for the federal government a substantial financial obligation if it cancels the KPC contract. Legislative cancellation would effect a total breach of the KPC contract and/or a taking of private property from KPC for which the Fifth Amendment imposes the requirement upon the government to pay just compensation to KPC.

If treated as a breach of contract, legislative cancellation of the KPC contract will make the government liable for all damages resulting from the breach. The concept pursuant to which damages are measured is placing the non-breaching party -- i.e., KPC -- in as good a position as it would have been in if its contract was fully performed by the government. Under this standard, damages normally include at least the contractor's expenditures and losses in performing the contract and, if properly proved, the full measure of the profits that would have been realized through full contract performance. The breach would also be subject to the interest provision of the Contract Disputes Act. The $50,000 performance bond paid by KPC would also be subject to recovery.

If considered to result in a Fifth Amendment taking, legislative cancellation of the KPC contract would require the government to pay just compensation to KPC -- that amount which would reflect the full monetary value of the taken property. Under "takings" analysis, the contractor is to be put in the same position, monetarily, as if its property had not been taken. Here, KPC would be entitled to be placed in the same position it would have occupied if the contract was not cancelled. As the contract guarantees KPC a sufficient quantity of timber at competitive rates for the "full scale operation" of its mill, one must look at the effect on KPC of the loss of such assured supply, an essential component of any viable pulp mill operation. In addition, another component of just compensation would be the added cost to KPC of obtaining from other assured sources (if other assured sources are shown even to exist) assured volumes of timber of sufficient quality and in sufficient quantity to replace what was assured under the contract to allow continuation of the pulp mill. Needless to say, removal of 1.7 million acres from timber production on the Tongass would affect this analysis. The simple fact of the matter is that no such alternative assured timber supply exists for KPC. In addition to the value of "replacement timber", there is strong precedent supporting the inclusion in the award of just compensation of amounts intended to reflect the increased costs to KPC of hauling or transporting any such replacement timber to its mill and its losses due to costs KPC incurred in fulfilling its contract obligations -- *i.e.*, road construction and mill construction costs. Finally, it is settled law that compensation for a taking must include "damages for delay in payment" -- commonly measured as interest -- running from the date of taking (here, contract cancellation) until the date the full measure of compensation has been paid.

A memorandum from our attorneys detailing the legal and financial amplications of proposed legislative termination of the KPC contract is available for your review.

Neither the contract damage nor the just compensation formulas take into account the additional and substantial amount the government should pay workers displaced and/or dislocated as a result of the negative impact contract termination would have on the employment situation at the KPC mill facilities.

## LAND AREAS

Current legislative proposals to withdraw from multiple-use management 1.8 million additional acres from the Tongass National Forest are not sound either from a practical or policy standpoint. One must, in analyzing this topic, recall that the Tongass National Forest originally (that is before all previous wilderness and other protected status removals from multiple use) consisted of 5.5 million acres of commercial forestland out of a total of 16.5 million acres. Thus, 11.0 million acres, or two-thirds of the Tongass National Forest land base has from time immemorial consisted of non-commercial forestlands and effectively wilderness areas of many types. Of the original 5.5 million acres of commercial forestland, 1.6 million acres is already designated as wilderness. Another 2.2 million acres of the commercial forestland is already restricted from timber harvest in favor of other uses of the Forest. Thus, only the remaining 1.7 million acres comprise the multiple use timber base of the Tongass. Moreover, the Forest Service management program for multiple use lands gives extensive recognition to other values such as fisheries, wildlife habitat and subsistence, by provision for such protections as riparian management zones along streams, wildlife retention zones and location of timber cutting units to protect aesthetics.

One must also remember that in 1980, Congress placed 5.4 million acres of the Tongass in wilderness, which is the size of the state of West Virginia and which includes as much timberland as found in the entire state of Louisiana. Additional massive Congressionally-mandated withdrawals is a clear repudiation of the ANILCA compromise which occurred only nine years ago and would fly in the face of the Tongass Land Management Plan (TLMP), instituted by Congress to deal with such forest planning questions. The TLMP process is currently underway and, after full public participation in the process, should be completed next year. Current legislative proposals to withdraw massive acreage from multiple use management is, in reality, merely an attempt to circumvent rational management of the Tongass National Forest by professionals after full public comment and discussion as called for by the process Congress ordered to be followed. Simply stated, the TLMP process should be allowed to work as formulated.

Additional massive permanent land withdrawals from multiple-use management, will have a disastrous affect on KPC, as current legislative proposals would remove from harvesting several large areas within the purview of our contract with the United States. The same disastrous result would occur from a prohibition against multiple-use management (including sale and harvest of timber, plus associated development such as timber sale preparation and road construction) until the TLMP process is concluded, since such a prohibition is for all practical purposes until at least after the year 2000 because of the effect of such a prohibition on the planning process.

For example, removal of the Calder-Holbrook area (over 60,000 acres containing 440 million board feet) would drastically disrupt current KPC operations and would require expenditure of many million of dollars in moving costs, even should adequate volumes of replacement timber be made available. Removal of the Nutkwa area (nearly 54,000 acres containing 380 million board feet of merchantable timber) from multiple-use management makes breach of the KPC contract much more likely, as portions are scheduled for harvest during the 1990's. The same can be said about the Karta area which covers almost 39,000 acres.

Simply stated, proponents of massive land withdrawals and reductions in the mandated timber base necessary to maintain a viable timber industry in Southeast Alaska have but one real goal in mind -- the destruction of the timber industry in Southeast Alaska. Congressional agreement to such proposals would have an absolutely devastating effect, not only on KPC but also upon all of Southeast Alaska. Such proposals are both unfair, given past Congressional actions regarding the Tongass, and unwise from a policy standpoint.

Finally, it should be noted that even if Congress should decide as a general matter to withdraw areas from multiple-use management on the Tongass, the areas listed in current legislative proposals are much too large and are not rationally based. The simple fact of the matter is that timber harvesting and other resource values can both exist on such areas as Calder-Holbrook, Nutkwa and Karta. KPC has shown a willingness to demonstrate the correctness of this assertion by accomplishing detailed "mapping" of these areas. While it is clear that professional management of the Tongass is preferable and should be allowed to occur pursuant to the Congressionally-mandated TLMP process, should Congress decide to disregard such a rational planning process, KPC remains willing to discuss the results of its "mapping" of areas affecting its operations, and thus supports the statement of the Alaska Loggers Association dated March 17, 1989. We endorse all aspects of this statement and respectfully suggest that it is an appropriate vehicle for use in resolving the various positions of different interests on the Tongass.

## CONCLUSION

We are confident we can be successful and continue to provide jobs and the significant economic base for the people of Southeast Alaska *if* the United States will meet its responsibilities under our contract.

Mr. Chairman, during the various Tongass hearings, you will hear drastically different perceptions of life in Southeast Alaska -- from those who wish to see balanced use of its magnificent resources continue . . . and from others desiring to decimate its economy. However, there can be no legitimate disagreement as to the importance of the federal government's contractual commitments to KPC and its moral commitments to the people of Southeast Alaska. KPC's rights are clear . . . they are found in our contract. Should these promises to KPC be broken, it would indeed be unfortunate, but my company can be reimbursed with money. Breaking the moral commitment made to the people in Southeast Alaska -- first in 1951, and again in 1980 -- and by so doing destroying the entire economic fabric of the region -- would be a travesty. Such a breach would destroy lives, families and communities -- in ways money could never remedy. As an Alaskan and an American interested in a federal government whose word you can trust, I respectfully request that you consider carefully this issue involving Southeast Alaska before you today.

2885C

Senator WIRTH. Ms. Shaub. It is nice to have you with us.

## STATEMENT OF THYES SHAUB, GOVERNMENT AFFAIRS DIRECTOR, ALASKA LOGGERS ASSOCIATION

Ms. SHAUB. I am Government Affairs Director for the Alaska Loggers Association. ALA is especially pleased to have hearings held in Alaska so you can hear members of our association and employees testify.

Our Association has submitted prior testimony regarding the facts and policies involved in Tongass legislation. However, the untold story is of the people who have established a lifestyle dependent upon a stable and continuing supply of raw material for the timber industry. Please, mark well what these people have to say, they are people who represent a work ethic, a lifestyle that represents the best of Alaska's traditions. Most of them will consider testifying before you one of the most difficult experiences of their lives but it is also a measure of their concern.

They are decent, hard-working people who take others at their word. In 1980, with the passage of the ANILCA legislation they were told that the land allocations on the Tongass were settled once and for all; 5.5 million acres were put into wilderness leaving the remaining land base insufficient to support the job level. In exchange for the wilderness these people were assured that their jobs would be protected. Section 705 allowed a harvest level of up to 4.5 billion board feet per decade or less than one-third of the commercial timber in the Tongass National Forest.

Following this legislation and relying on the word of Congress these people have invested in over 23 logging communities and logging operations to supply four large sawmills and two pulp mills and many small sawmills. All of these logging communities are established in remote sites and many are complete with families and schools. These communities are site specific to a particular timber sale and make up an integrated system of supply to the dependent pulp and sawmills. Any substantial change in where or how much harvesting will take place, for example, cancellation of the long-term sales, will cause a wholesale loss of jobs throughout these communities that will result in unprecedented dislocations and hardships.

If S. 346 becomes law our members and their employees will feel betrayed by a Congress that breaks its word and their contracts. We support passage of S. 237 introduced by our Alaska delegation that allows us to retain our industry, our jobs and our unique lifestyle.

Our full position is set forth in the attached policy paper which everyone connected with our industry in southeast Alaska has agreed to. This includes big and small operators and those who operate on public and private land. It calls for maintaining jobs and protecting other resources, such as fisheries and wildlife habitats, and we urge you to review it carefully.

Thank you.

[The prepared statement of Ms. Shaub follows:]

**Alaska Loggers Association, Inc.**

111 STEDMAN, SUITE 200
KETCHIKAN, ALASKA 99901
Phone 907-225-6114

April 24, 1989
Ketchikan, Alaska

## STATEMENT OF THYES SHAUB ALASKA LOGGERS ASSOCIATION BEFORE THE SENATE ENERGY AND NATURAL RESOURCES COMMITTEE

Mr. Chairman (and members of the Committee), my name is Thyes Shaub. I am Government Affairs Director for the Alaska Loggers Association(ALA). (I am here today representing our members made up of logging companies, sawmills and pulp mills throughout Alaska, representing 107 separate companies with over 4,400 workers. In addition, there are 200 associate members which employ several thousand persons both in Alaska and in the Lower 48.)

ALA is especially pleased to have hearings held here in Southeast Alaska so you can meet and hear members of our Association and their employees testify. Our Association has submitted prior testimony regarding the facts and policies involved in Tongass legislation. However, the untold story is of the people who have established a life style dependent upon a stable and continuing supply of raw material for the timber industry. Please, mark well what these people have to say -- they are people who follow a work ethic and life style that represents the best of Alaska's traditions. Most of them will consider testifying before you one of the most difficult experiences of their lives -- but it is also a measure of their concern.

There are decent, hard working people who take others at their word. In 1980, with the passage of the ANILCA legislation, they were told the land allocations on the Tongass were settled once and for all. 5.5 million acres were put into wilderness, leaving the remaining land base insufficient to support the job

SERVING ALASKA'S TIMBER INDUSTRY

level. In exchange for the wilderness designated in Section 703, these people were assured that their jobs would be protected. Section 705 allowed a harvest level of up to 4.5 billion board feet per decade or less than one-third of the commercial timber on the Tongass.

Following this legislation and relying on the word of Congress, these people have invested in over 23 logging communities and logging operations that supply four large sawmills and two pulp mills together with many small fixed and portable sawmills. All of these logging communities are established in remote sites and many are complete with families and schools. All of these communities are site specific to a particular timber sale whether independent or long term and jointly make up an integrated system of supply to the dependent pulp and sawmills. Any substantial change in where or how much harvesting will take place (for example, cancellation of the long term sales) will cause a wholesale loss of jobs throughout these communities that will result in unprecedented dislocations and hardships.

Any reduction in timber supply will also upset the exchange of pulp and sawlogs that allows the sawmills and pulp mills to operate efficiently. It is not possible to run half of a pulp mill or only part of a sawmill.

If S. 346 becomes law, our members and their employees will feel betrayed by a Congress that breaks its word and their contracts. We support passage of S. 237 introduced by our Alaska delegation that allows us to retain our industry, our jobs and our unique life style.

Our full position is set forth in the attached policy paper which everyone connected with our industry in Southeast Alaska has agreed to. This includes big and small operator and those who operate on public and private land. It calls for maintaining jobs and protecting other resources. We urge you to review it carefully.

One more thing - we understand that there may be some Native villages that feel they may qualify under ANSCA. We ask you to investigate and resolve their issue if needed as part of Tongass legislation.

**Alaska Loggers Association, Inc.**

111 STEDMAN, SUITE 200
KETCHIKAN, ALASKA 99901
Phone 907-225-6114

Enclosed is the policy statement of the Alaska Loggers Association on Tongass legislation. It represents our effort to address the concerns of the majority of people of Southeast Alaska, especially those people and communities dependent upon National Forest timber. We are also sensitive to the concern that other resources such as fish, wildlife, and subsistence continue to be protected.

We believe it is time for the ALA, the Southeast Alaska Conservation Council, the Southeast Conference, and the State of Alaska to work with the Alaska Congressional Delegation to forge an "All Alaska" position to present to Congress. We would appreciate adding your voice to those who agree with us that the time has come for such a compromise.

Yours very truly,

Virgil Soderberg

SERVING ALASKA'S TIMBER INDUSTRY

**Alaska Loggers Association, Inc.**

111 STEDMAN, SUITE 200
KETCHIKAN, ALASKA 99901
Phone 907-225-6114

## POLICY STATEMENT OF
## ALASKA LOGGERS ASSOCIATION ON TONGASS LEGISLATION

GOAL: It is the goal of the Alaska Loggers Association to maintain year round employment opportunities associated with the forest products industry, and, therefore, the economy of Southeast Alaska and the stability of the communities in Southeast Alaska consistent with the multiple use management of the resources of the Tongass National Forest.

### KEY POINTS OF THE ALA POSITION ON TONGASS LEGISLATION:

### Dependent Communities

In considering Tongass legislation, a primary concern for Congress should be with the well-being of people and communities dependent upon National Forest timber sales in Southeast Alaska.

### Retention of Land and Timber Base To Provide a Supply to Insure Employment Opportunities Associated with the Forest Products Industry Supply for Dependent Industry.

Tongass legislation and the United States Forest Service should retain a sufficient commercial forest land and timber base under multiple use management to make available an allowable sale quantity (ASQ) of 4.5 billion board feet per decade subject to ongoing and annual review to meet timber industry needs based on market demand, industry capacity and economics.

SERVING ALASKA'S TIMBER INDUSTRY

Shoot Both Sides

**Alaska Loggers Association, Inc.**

The ALA does not support the concept of "mandated" cut. The ALA believes harvest levels should be driven by economics, markets, and sound principles of forestry.

The United States Forest Service management program for multiple use lands should continue to provide proper recognition to other multiple use values such as fisheries, wildlife habitat and programmed subsistence by provision for such protection as riparian management zones along streams, wildlife retention zones and protection of the visual resources. Members of the ALA presently harvest federal timber in accordance with extensive current provisions in the National Forest Management Act and other laws which protect these other resource values.

## Maintenance of Economic, Viable Timber Supply

The Tongass National Forest multiple use lands should be managed to provide economically viable timber sales to all operators which will provide positive stumpage returns to be shared with local government bodies. Intensive management monies are needed as part of the program to access marginal timber stands. These monies are necessary because of the 1980 designation of 1.6 million acres of commercial forest land as wilderness in Section 703 of ANILCA. Intensive management monies should be authorized up to $18 million per year but should be subject to the annual appropriations process. The expenditure of intensive management monies should be limited to accessing marginal timber by preroading of existing and new timber sales, reforestation and thinning, and fisheries enhancement.

The exemption from Section 6(k) of the National Forest Management Act must be retained in order to access timber stands in marginal areas. Access to marginal areas is made necessary by the 1980 designation of 1.6 million acres of commercial forest land as wilderness in Section 703 of ANILCA.

Reduced clearcut size is not the best management practice on the Tongass because it does not necessarily minimize the potential impact of timber harvest on the National Forest. Tongass legislation should allow for drainage management in which larger clearcut size would be permitted so long as it is not inconsistent with multiple use management and other resource values.

## Contracts

Perceived problems of individual contracts should not drive legislation which can have far-reaching impacts on the people and the communities of Southeast Alaska. Matters concerning individual contracts should be negotiated between the United States government and the respective private party.

## Land Area

Current Tongass land allocations are based upon the existing Tongass Land Management Plan (TLMP) pursuant to the Resources Planning Act of 1974. New land allocations, which add to already designated wilderness or other protected status should not be the subject of legislation, nor should they be made prior to completion of the TLMP revisions.

If, however, Congress desires, in the public interest, to allocate land areas in advance of TLMP, ALA believes that only portions of the following areas should be considered for removal from multiple use management:

Yakutat Forelands
Kadashan
Lisianski
Karta
Nutkwa
Chuck River

The boundaries of areas considered for removal from multiple use management must be carefully delineated, a task which members of ALA are prepared to do. Areas removed should not block access to areas under multiple use management and allocation should facilitate and not block access for power transmission and transportation corridors. Areas now in protected status should be reviewed to provide substitutes for those portions of the above areas which are removed from multiple use management.

Process and Litigation Delays

The Alaska Loggers Association (ALA) remains concerned about the fact that the process in the consideration of a timber sale from its conception to its award takes from four to seven years. Furthermore, the complexity of the environmental "hoops" through which the Forest Service must jump to put up a timber sale provide infinite opportunities tc delay this process - administratively and through litigation. The ALA believes general steps can be taken to streamline this process. First, the period for appeal of forest plans and timber sale EIS's needs to be reduced to a finite, reasonable period after the plan or EIS is published, after which the plan or EIS will be deemed to meet all necessary provisions of law to implement the plan or EIS. Second, multiple NEPA suits at each level of the plan to sale process should be discouraged by limiting judicial review of a timber sale to a determination of whether or not it is consistent with the forest plan. Third, parties which did not participate in the administrative review process and raise issues therein with respect to a plan or sale should be precluded from bringing litigation after the plan has been approved.

Senator WIRTH. Thank you very much.
Mr. Durette.

## STATEMENT OF ROBERT DURETTE, OWNER AND PRESIDENT, DURETTE CONSTRUCTION CO.

Mr. DURETTE. Distinguished Senators and members of the Senate Subcommittee, my name is Robert Durette and I am Owner and President of the Durette Construction Company. Our company builds timber access roads on the Tongass National Forest here in southeast Alaska. I look around the room today and see many of you are some of my own boys and know that they too are wondering why they are defending their jobs when they want to be at work making a living to support their families.

Through hard work, making good investments and being able to save some money along the way, we were able to establish our own business in 1986. My family lived in Juneau and because there was little logging activity in the area I was forced to start up operations on Prince of Wales Island. We had just come out of one of the worst depressed timber markets our industry has known and things were finally on the uphill swing. It is almost impossible to borrow money from any source unless the creditor can be assured that you have projected income or a job to repay the loan. My creditors were satisfied only because I was holding a contract with Ketchikan Pulp Company, a firm who in return was holding a contact with the United States Government. What could be better collateral? More importantly I felt that I could ask and expect my employees to suffer the expense of relocating their families to a remote place at considerable expense to them in return for an employment opportunity with our firm.

The company grew and I reinvested our profits into the business. Our company is located in Thorne Bay and almost totally dependent on a healthy timber industry. All of my employees live in the Thorne Bay Area and our payroll alone contributes close to a million dollars a year into this local economy. This is a direct benefit to the community as employee dollars are spent in the local area. Please keep in mind that our company is only one of several small independent companies in the Thorne Bay Area doing the same thing. We also support independent subcontractors and their families. A dollar earned in the forest of southeast Alaska is turned over many times. My vendors and suppliers in the region are paid over two million dollars a year; these dollars stay in the region, creating indirect jobs. Please keep in mind that mine is a small company, there are over 100 small companies similar to mine doing business here on the Tongass National Forest.

Senate Bill 346 introduced by Senator Wirth of Colorado calls for termination of the 50 year contracts within 90 days of enactment of law. First of all it is obvious that there would not be the need for independents as present due to the reduced timber supply. Some of us will lose our companies, our employees will lose their jobs and also we are told that if the contracts were terminated it would take the U.S. Forest Service up to two years to prepare independent timber sales and to get the system rolling. There are not many options for a company like mine. I cannot afford to build state or federal highways. I cannot afford the millions of dollars in required bonding to even bid on those jobs.

The environmental lobby suggests that we are building roads on this forest just to haul logs. Not so. The roads are built initially to access the timber but after the timber is harvested the road then becomes part of the access network to the local areas and communities. It is important to remember that the full cost of building a road into a harvest area is absorbed on the initial harvest entry and not absorbed over the long term. Many times I have accessed areas for timber harvest that have opened up new and unique recreational areas for lake fishing, camping, and mineral exploration, to name a few. The public takes full advantage of these access opportunities.

Senators, I have been a preservationist for a long time. I have had to be. I enjoy the recreational activities such as hunting and fishing that the forest has to offer. I also know that by utilizing a renewable resource such as timber that the forest will provide job stability and community growth.

I urge this Committee to support Senate Bill 237, introduced by Senator Frank Murkowski. I would also ask this Committee to remember that people earning their living and contributing to the well-being of this country should not be dismissed lightly. They themselves are a valuable resource.

Senator WIRTH. Thank you, Mr. Durette. [Applause.]

[The prepared statement of Mr. Durette follows:]

# TESTIMONY OF ROBERT R.DURETTE SR. BEFORE THE SENATE SUBCOMMITTEE ON TONGASS REFORM LEGISLATION

APRIL 24,1989- KETCHIKAN,ALASKA.

DISTINGUISHED SENATORS AND MEMBERS OF THE SENATE SUBCOMMITTEE;MY NAME IS ROBERT DURETTE,I AM OWNER AND PRESIDENT OF MY OWN BUSINESS, DURETTE CONSTRUCTION CO.OUR COMPANY BUILDS TIMBER ACCESS ROADS ON THE TONGASS NATIONAL FOREST HERE IN S.E. ALASKA.

MY FAMILY AND I CAME TO ALASKA SEVERAL YEARS AGO,WHEN I ACCEPTED EMPLOYMENT WITH A LOGGING OPERATION LOCATED ON A REMOTE ISLAND BETWEEN JUNEAU AND SITKA. WE LIVED IN THAT LOGGING COMMUNITY FOR SEVEN YEARS, RAISING OUR TWO YOUNG SONS ,WHILE ESTABLISHING A TRUE APPRECIATION FOR OUR NEW FOUND LIFESTYLE. IN 1983 WE WERE FORCED TO LEAVE OUR HOME BECAUSE OF AN ENVIROMENTAL LAWSUIT THAT WAS PLACED ON THE BUILDING OF TIMBER ACCESS ROADS AT THE KADASHAN DRAINAGE ON CHICHAGOF ISLAND. I REMEMBER TRYING TO EXPLAIN TO MY FAMILY WHY WE WERE LEAVING OUR HOME AND JOB, IT DIDN'T MAKE SENSE TO ME, SO HOW IN THE WORLD COULD I EXPLAIN IT TO THEM? I LOOK AROUND THIS ROOM TODAY AND SEE MANY FAMILY'S, SOME OF MY OWN EMPLOYEES, AND KNOW THAT THEY TOO ARE WONDERING WHY THEY ARE HERE DEFENDING THEIR JOBS, WHEN THEY WANT TO BE AT WORK MAKING A LIVING TO SUPPORT THEIR FAMILIES.

THROUGH HARD WORK, MAKING GOOD INVESTMENTS AND BEING ABLE TO SAVE SOME MONEY ALONG THE WAY, WE WERE ABLE TO ESTABLISH OUR OWN BUSINESS IN 1986. MY FAMILY LIVED IN JUNEAU, AND BECAUSE THERE WAS LITTLE LOGGING ACTIVITY IN THE AREA I WAS FORCED TO START UP OPERATIONS ON PRINCE OF WALES ISLAND. WE HAD JUST COME OUT OF ONE OF THE WORST DEPRESSED TIMBER MARKETS OUR INDUSTRY HAS KNOWN, AND THINGS WERE FINALLY ON THE UPHILL SWING.

BELIEVE ME, IT ISN'T EASY TO START YOUR OWN BUSINESS UP HERE, YOU MUST HAVE A SUBSTANCIAL AMOUNT OF WORKING CAPITOL,A CONTRACT, A FINANCIAL INSTITUTION THAT WILL BACK YOUR EQUIPMENT NEEDS, AND VENDORS AND SUPPLIERS THAT WILL ESTABLISH A LINE OF CREDIT FOR YOU. FOR MY COMPANY, ALL OF THESE THINGS DEPENDED ON ONLY ONE THING; A CONTRACT. BEING A SMALL INDEPENDENT CONTRACTOR I LEARNED ONE THING RIGHT AWAY. WITHOUT A CONTRACT I WAS A POOR RISK TO MY CREDITORS, BECAUSE THEY COULD NOT ESTABLISH WHAT MY LONG TERM SITUATION WOULD BE. AS WE ALL KNOW, IT IS ALMOST IMPOSSIBLE TO BORROW MONEY FROM ANY SOURCE, UNLESS YOUR CREDITOR CAN BE ASSURED THAT YOU HAVE PROJECTED INCOME OR A JOB TO REPAY THE LOAN. MY CREDITORS WERE SATISIFIED ONLY BECAUSE I WAS HOLDING A CONTRACT WITH KETCHIKAN PULP COMPANY, A FIRM WHO IN RETURN WAS HOLDING A CONTRACT WITH THE UNITED STATES GOVERNMENT. WHAT COULD BE BETTER COLLATERAL! I TOO WAS ABLE TO INVEST IN THE NECESSARY FACILITY AND OVERHEAD EXPENSES AT OUR OPERATIONS LOCATION IN THORNE BAY. MORE IMPORTANTLY, I FELT THAT I COULD ASK AND EXPECT MY EMPLOYEES TO SUFFER THE EXPENSE OF RELOCATING THEIR FAMILIES, TO A REMOTE PLACE AT

CONSIDERABLE EXPENSE TO THEM, IN RETURN FOR AN EMPLOYMENT OPPORTUNITY WITH OUR FIRM.

THE COMPANY GREW AND I REINVESTED OUR PROFITS INTO THE BUSINESS. OUR COMPANY IS LOCATED IN THORNE BAY, A COMMUNITY ALMOST TOTALLY DEPENDENT ON A HEALTHY TIMBER INDUSTRY. ALL OF MY EMPLOYEES LIVE IN THE THORNE BAY AREA AND OUR PAYROLL ALONE CONTRIBUTES CLOSE TO A MILLION DOLLARS A YEAR INTO THIS LOCAL ECONOMY. THIS IS A DIREST BENEFIT TO THE COMMUNITY AS EMPLOYEE DOLLARS ARE SPENT IN THE LOCAL AREA. PLEASE KEEP IN MIND THAT OUR COMPANY IN ONLY ONE OF SEVERAL SMALL INDEPENDENT COMPANIES IN THE THORNE BAY AREA DOING THE SAME THING. OUR COMPANY ALSO SUPPORTS TWO INDEPENDENT SUB-CONTRACTORS AND THEIR FAMILIES. A DOLLAR EARNED IN THE FOREST OF S.E.ALASKA IS TURNED OVER MANY TIMES. MY VENDORS AND SUPPLIERS IN THE REGION ARE PAID OVER TWO MILLION DOLLARS A YEAR. THESE DOLLARS STAY IN THE REGION, CREATING INDIRECT JOBS. PLEASE KEEP IN MIND, THAT MINE IS A SMALL COMPANY, THERE ARE OVER 100 SMALL COMPANIES SIMILAR TO MINE, DOING BUSINESS HERE ON THE TONGASS NATIONAL FOREST.

SENATE BILL 346 INTRODUCED BY SENATOR WIRTH OF COLORADO, CALLS FOR TERMINATION OF THE 50 YEAR CONTRACTS WITHIN 90 DAYS OF ENACTMENT OF LAW. THE BILL ALSO REDUCES THE ALLOWABLE CUT FROM 4.5 BILLION BOARD FEET PER DECADE TO 3.38 BBF/PER DECADE. SENATOR WIRTH, LET ME TELL YOU WHAT WILL HAPPEN TO OUR COMPANY AND MANY MORE LIKE US, IF YOUR BILL WERE TO PASS. FIRST OF ALL IT IS OBVIOUS THAT THERE WOULD NOT BE THE NEED TO HAVE AS MANY INDEPENDENT'S AS PRESENT DUE TO THE REDUCED TIMBER SUPPLY. SOME OF US WILL LOOSE OUR COMPANIES, OUR EMPLOYEES WILL LOOSE THEIR JOBS! ALSO WE ARE TOLD THAT IF THE CONTRACTS WERE TERMINATED, IT WOULD TAKE THE U.S.FOREST SERVICE UP TO TWO YEARS TO PREPARE INDEPENDENT TIMBER SALES AND TO GET THE SYSTEM ROLLING AGAIN. TELL ME SENATOR, COULD YOU AFFORD TO HAVE YOUR INVESTMENTS SIT IDEL FOR THAT LENGHT OF TIME? I CERTAINLY CAN'T. THERE ARE NOT MANY OPTIONS FOR A COMPANY LIKE MINE, I CAN'T AFFORD TO BUILD STATE OR FEDERAL HIGHWAYS, I CAN'T AFFORD THE MILLIONS OF DOLLARS IN REQUIRED BONDS TO EVEN BIT ON THOSE JOBS. BESIDES OUR FEDERAL HIGHWAY HERE IS OUR INLAND WATER WAY, AND MOST OF OUR STATE HIGHWAY IS RECLAIMED TIMBER ACCESS ROADS. THE ENVIROMENTAL LOBBY SUGGESTS THAT WE ARE BUILDING ROADS ON THIS FOREST JUST TO HAUL LOGS ON. NOT SO, THE ROADS ARE BUILT INITIALLY TO ACCESS THE TIMBER, BUT AFTER THE TIMBER IS HARVESTED THE ROAD THEN BECOMES PART OF THE ACCESS NETWORK TO THE LOCAL AREAS AND COMMUNITIES. IT IS IMPORTANT TO REMEMBER THAT THE FULL COST OF BUILDING A ROAD INTO A HARVEST AREA IS ABSORBED ON THE INITIAL HARVEST ENTRY AND NOT ABSORBED OVER THE LONG TERM. MANY TIMES I HAVE ACCESSED AREAS FOR TIMBER HARVEST THAT HAVE OPENED UP NEW AND UNIQUE RECREATIONAL AREAS FOR LAKE FISHING, CAMPING, AND MINERAL EXPLORATION, TO NAME A FEW. THE PUBLIC TAKES FULL ADVANTAGE OF THESE ACCESS OPPORTUNITIES.

SENATORS, I HAVE BEEN A PRESERVATIONIST FOR ALONG TIME. I HAVE HAD TO BE. I ENJOY THE RECREATIONAL ACTIVITIES SUCH AS HUNTING AND FISHING THAT THE FOREST HAS TO OFFER. I ALSO KNOW THAT BY UTILIZING A RENEWABLE RESOURCE SUCH AS TIMBER THAT THE FOREST WILL PROVIDE JOB STABILITY AND COMMUNITY GROWTH.

I URGE THIS COMMITTEE TO SUPPORT SENATE BILL 237, INTRODUCED BY SENATOR FRANK MURKOWSKI. I WOULD ALSO ASK THIS COMMITTEE TO REMEMBER THAT THE PEOPLE EARNING THEIR LIVING AND CONTRIBUTING TO THE WELL BEING OF THIS COUNTRY SHOULD NOT BE DISMISSED LIGHTLY, THEY THEMSELVES ARE A VALUABLE RESOURCE.

RESPECTIFULLY SUBMITTED BY;
ROBERT R. DURETTE SR,
DURETTE CONSTRUCTION CO,INC.
THORNE BAY, ALASKA.

Senator WIRTH. Mr. Gildersleeve.

## STATEMENT OF KEATUN GILDERSLEEVE

Mr. GILDERSLEEVE. Mr. Chairman and members of the Committee, my name is Keatun Gildersleeve and my family has been logging in the Tongass National Forest for almost 40 years, except for the time spent in the U.S. Military and college and commercial fishing. I have spent my entire life in logging camps. My children go to school in a camp school and many of our employees are the sons and daughters of the original crew.

With the changing markets and harvesting and labor, we have chosen to reinvest in this industry each year and much—milling capacity has changed several times, between harvesting and resource protection policies come and go.

Most of the timber which surrounds our operations are not available for harvest, that which can be harvested is programmed to be responsible to the sustained yield as mandated by Congress. The evidence of the wisdom of that mandate can be seen in stands which were clearcut by my father and now are approaching commercially viable second growth. I see no evidence whatsoever that our industry has had a negative impact on other resource uses.

Commercial fish harvests are at a near-record level and King populations are higher than when timber harvest began. Wildlife populations of all kinds are heaviest in the areas of recent clearcuts and old timber.

The State of Alaska will probably have 800,000 visitors this year; tourism is an increasing operation over the years.

People speak kindly of our contribution and understand that we harvest a renewable resource and we do so with much less impact on the environment than is the case with many industries. The timber business is set to our way of life and a reduction in the amount of timber available for harvest—we believe Senate Bill 346 can be directly translated into a loss of employment. Obviously the proposed legislation would be sure to reduce the availability of employment and lowering capacity will withstand the next economic downturn, we who live and work in the Tongass National Forest.

You have my word that I will do nothing which would threaten this diverse usage. I invite any committee member and any of your staff to look at our operation.

Thank you for coming and thank you for your time.

Senator WIRTH. Thank you very much, Mr. Gildersleeve.

Ms. Coady.

## STATEMENT OF SALLY COADY, ALASKA WOMEN IN TIMBER

Ms. COADY. Before I begin my testimony I would like to present this petition supporting the bill. There are over seven hundred signatures here representing the people of Tongass and Wrangell, Hobart Bay, Thorne Bay, Hofman Cove and Lemesuirler Bay.

Senator WIRTH. Thank you very much.

Ms. COADY. My name is Sally Coady, President of Alaska Women in Timber.

Our organization of 286 members work in support of the timber industry through legislation, education and communication.

I am here speaking to you today as an Alaskan and as a typical Alaska Women in Timber member who is very concerned about the future of my family and my friends who are employed, either directly or indirectly, in the timber industry.

Alaska Women in Timber works for more public understanding of the industry and the issues surrounding the forest harvest and provides a supportive network for the people who work in the industry and live in the forest.

We know that the forest land provides economic, environmental and recreational benefits to every American. The forest gives us a continuous supply of a renewable resources and the industry is a highly responsible group whose very survival depends on its wise use of our public land. We know that we practice good forest management and that the industry operates in harmony both with the environment and with other industries.

Logging is not new to us. Both my husband's family and mine are long-time loggers. Our grandfathers and our fathers worked in the industry. My husband started working in the woods when he was sixteen. We were raised knowing we could make a good living in the woods and that because trees are a renewable resource and our forests are well-managed we will have trees for generations to come.

We had always wanted to come to Alaska, to the land of opportunity. We knew that our lifestyle would change and we were willing to make that change.

My husband, who worked for a large timber company in Washington State, quit his job after 18 years. We sold our farm. Our three children left the life they were accustomed to; they moved to Alaska to our future.

We now hunt and fish and camp and we do more activities with our children. We have a closeness within our family that we did not have before. We have seen whales, eagles, grizzly bear, black bear and sea lions. We have enjoyed the beautiful sunrises and sunsets. We thrive in the great outdoors and all that Alaska has to offer, but now because of pending legislation our livelihood is being threatened. What are we to do? Should we wait and see what will happen and possibly be thrust into the unemployment lines or should we and our friends move back to the lower 48? Are there jobs for us in the timber industry? Timber is all we know.

It was a big step to move to Alaska and we thought it was for the betterment of our lives and family but the constant threat of losing our jobs is not easy to live with. This is where we want to be and where we want to stay. We need to know we will always have jobs available for us in the timber industry.

We all believe in multiple use of the forest and sound timber management. We are not about to destroy what we love so dearly. We are managing our forests for the future and we are proud of the job we are doing.

We hope you will consider us, the people who work and live in the Tongass National Forest. We need the timber industry to survive. Please do not make us—the people—the endangered species.

Senator WIRTH. Thank you very much, Ms. Coady.

Mr. Bukoskey.

## STATEMENT OF JOHN BUKOSKEY, NORTHWEST INTERNATIONAL REPRESENTATIVE, INTERNATIONAL LONGSHOREMEN'S AND WAREHOUSEMEN'S UNION

Mr. BUKOSKEY. Thank you for the opportunity to address you today. I am John Bukoskey, Northwest International representative for the International Longshoremen's and Warehousemen's Union. I am here representing the longshoremen, not only in the State of Alaska but those in Washington and Oregon and that is all of my region, some 4,000 members in my region that I represent, along with—I was also asked to speak on behalf of the Inland Boatmen's Union, which is an affiliated division of our union.

We are responding, urging you to support the legislation proposed by Senator Murkowski—I am having problems with the name, I guess it is too similar to my own, and Senator Stevens, in regard to the Tongass National Forest. We would like this opportunity to point out that over the past four or five years the longshoremen in southeast Alaska have experienced a major reduction in work opportunities most directly related to the economy of the State of Alaska. They have experienced between a $10,000 and $20,000 a year reduction in their income over that period.

In reviewing the proposed legislation by Senator Wirth, we feel this would cut the income another 36 percent, considering that we would endure a 36 percent reduction in the harvest of available timber. This bill would dramatically effect our members by reducing their income to less than what is needed to provide a modest income for themselves and their families. The longshoremen throughout Alaska for the last four or five years have tried to earn a living based on 800 to 1,000 hours. It is impossible for us to believe that any cutback in work opportunities would be of any benefit to the longshoremen or their families; especially in the ports of Ketchikan, Metlakatla, Klawock, Pelican, Sitka, Wrangell and Juneau.

It does not make any sense to those of us in the I.L.W.U. to support Senator Wirth's position to control and reduce the allowable cut when approximately 40 to 60 percent of the timber that is being harvested is literally rotting standing up. To support Senator Murkowski and Senator Stevens' position to replace the forest with healthier more productive trees does make sense.

With the suggested 1.7 million acre increase in wilderness area, to a total of 7.2 million acres; and to increase the amount of timber that is literally dying or rotting standing up, would be a total loss of a very valuable resource. It surely is not logical for the fact that it is a marketable resource which also affects a lot of jobs throughout the southeast portion of the State of Alaska.

In closing we would venture to guess that there will never be 1.7 million people that would get the opportunity to use the additional forest, this forest at the expense of the workers of the forest.

[The prepared statement of Mr. Bukoskey follows:]

INTERNATIONAL NORTHWEST INTERNATIONAL REGIONAL OFFICE
LONGSHOREMEN'S & WAREHOUSEMEN'S
2800 1ST AVE. - RM. 260, SEATTLE, WA 98121 — PHONE 447-1917 UNION

Statement prepared for: Senate Energy Committee Hearing conducted in Ketchikan on April 24th, in regards to the Tongass National Forest.

I am John Bukoskey, Northwest International Representative for the International Longshoremen's and Warehousemen's Union. I represent the membership in the Pacific Northwest, including Washington, Oregon and Alaska, which includes approximately 4,000 members plus their dependants. In their interest I am making the following statement:

Dear Senators,

We are responding, urging you to support the legislation purposed by Senator Murkowski and Senator Stevens, in regards to the Tongass National Forest. We would like this opportunity to point out that over the past four or five years, the Longshoremen in Southeast Alaska have experienced a dramatic reduction in work opportunities most directly related to the economy in the State of Alaska. They have experienced between a $10,000 and $20,000 loss of income for that period.

In reviewing the proposed legislation by Senator Wirth, we feel this would cut that income another 36%; considering that we would endure a 36% reduction in the harvest of available timber. This bill would dramatically effect our members by reducing their income to less than what is needed to provide even a modest income for themselves and their families. The Longshoremen throughout Alaska, the last 4 or 5 years, have tried to earn a living based on 800 to 1000 hours. It is impossible for us to believe that any cutback in work opportunities would be to our memberships' benefit, specifically those Longshoremen working in the ports of Ketchikan, Metlakatla, Klawock, Pelican, Sitka, Wrangell and Juneau.

Many of are members are native Alaskans and would be required to look for other sources of income, such as in the fishing industry, to provide a living. With the problems in the oil industry today those jobs may also be drastically effected, for some time to come if not permanently, because of the oil spill in Valdez.

It doesn't make sense, to those of us in the I.L.W.U., to support Senator Wirth's position to control and/or reduce the allowable cut, when approximately 40 to 60% of the timber that is harvested is literally rotting standing up. To support Senator Murkowski and Senator Stevens position to replace the forest with healthier more productive trees, does make sense.

With the suggested 1.7 million acre increase in the wilderness area, to a total of 7.2 million acres, and increase the amount of timber that is literally dying or rotting standing up, would be a total loss of a very valuable resource. It surely isn't logical in the fact that it is a marketable resource which also effects a lot of jobs throughout the Southeast portion of the State of Alaska.

In closing we would venture to guess that there will never be 1.7 million people that would ever get the opportunity to see the additional forest that you are setting aside for their benefit, at the expense of those now working in that forest.

For those of us that believe there is a need to compromise the Tongass Forest Operation, it is our opinion that that is what the Murkowski Bill provides. We therefore would certainly urge that you **support** the compromise Bill introduced by Senator Murkowski and Senator Stevens and urge that you **do not support** Senator Wirth's proposed Bill that is now being introduced.

We hope that we have made our position clear in this matter. If you have any questions, or if there is anything more that we can add, feel free to contact us at your convenience.

Senator WIRTH. Thank you very much, Mr. Bukoskey and if I might just take a moment and ask perhaps of you, Mr. Pihl, a couple of questions.

First of all who owns Ketchikan Pulp?

Mr. PIHL. Ketchikan Pulp is a domestic company wholly owned by Louisiana Pacific Corporation.

Senator WIRTH. Who has the long-term contract up here, what company has the long term?

Mr. PIHL. Who owns Alaska Pulp? I believe it is foreign owned by a Japanese consortium.

Senator WIRTH. Where does the product from Ketchikan Pulp go?

Mr. PIHL. Our product last year, for example, was shipped to 51 countries worldwide.

Senator WIRTH. How much is U.S. consumed?

Mr. PIHL. About 25 or 30 percent goes to very important domestic customers.

Senator WIRTH. And where does the other 70 or 75 percent go?

Mr. PIHL. 21 countries worldwide.

Senator WIRTH. Which is the largest importer of your product?

Mr. PIHL. Taiwan followed by India.

Senator WIRTH. Taiwan is the larger importer?

Mr. PIHL. And then India.

Senator WIRTH. And then where?

Mr. PIHL. Korea.

Senator WIRTH. And Alaska Pulp, where does their product go?

Mr. PIHL. It goes to world markets too but my understanding is that primarily it goes to Japan.

Senator WIRTH. So how big are you compared to Alaska, Ketchikan Pulp and Alaska Pulp?

Mr. PIHL. About 20 percent larger, 10 to 15.

Senator WIRTH. You are about 10 percent larger.

Mr. PIHL. Yes.

Senator WIRTH. Can you tell me why you think that Tongass should be treated differently than, say, Arappahoe Roosevelt Forest in Colorado or a National Forest in Montana, why should it be treated differently?

Mr. PIHL. If you are speaking about funding features, the so-called——

Senator WIRTH. Funding, contracts, targets—why should it be treated differently?

Mr. PIHL. There are 21 answers.

Senator WIRTH. As a general proposition why should the Tongass be treated differently than other national forests?

Mr. PIHL. First of all it took long-term contracts as a foundation to develop this industry in Alaska and that foundation is important today as it has ever been.

Senator WIRTH. Now you are arguing that if you take away the long-term contract that foundation is gone, is that right? Is that the prime reason for the difference?

Mr. PIHL. You must have a discerned supply of timber to operate a pulp mill and a large integrated operation.

Senator WIRTH. Why is that true in the Tongass and not true in other national forests with the timber that exists?

Mr. **Pihl**. It is true. Name me one pulp mill or large integrated operation that is not supported by ensured supply of timber—now that ensured supply can come in the sea on a ship, it can come in ship contracts, it can come in timber contracts but you have to have an ensured supply of timber.

Now in Alaska it is all National Forests and that is the only game in town.

Senator **Wirth**. Is there any other national forest that has a requirement that a certain amount of federal money must be spent on that forest every year or that a certain amount of timber must be cut from that forest every year? Now is there any other one—I am just trying to understand and I think that members of the United States Senate ought to understand and I am sure that there is a good reason for that, why Tongass is treated one way and every other forest is treated a different way.

Mr. **Pihl**. On those two pieces you are speaking to in terms of the funding, we have for a long time advocated an overhaul of the Tongass Timber Supply Fund to scale it down to a much lower number, to expand it for limited purposes of intensive forest management, of thinning and in fact a series of other enhancements. Now in terms of the annual supply, that is not in our vocabulary, we do not believe in it.

Senator **Wirth**. Then we can remove the 4.5 billion board feet and that would be no problem?

Mr. **Pihl**. No sir. What is important is to maintain an adequate land base available to the Forest Service to manage, to make available up to 4.5 billion per decade subject to markets, economics and industry capacity.

Senator **Wirth**. Does any other national forest have that kind of a legislative requirement in it?

Mr. **Pihl**. I do not believe so.

Senator **Wirth**. I am just trying to understand Mr. Pihl, why this national forest is treated differently from others. That's what I am trying to get at.

The third point on the long-term contracts, do other National Forests in the country have the kind of long-term contracts that Tongass has?

Mr. **Pihl**. There have been some in the past.

Senator **Wirth**. But they were all phased out in the fifties and sixties, were they not?

Mr. **Pihl**. I believe they were.

Senator **Wirth**. Now the question comes back, I think it is a perfectly legitimate question: that we have one forest that is treated in one way and every other national forest is treated in a different way and there must be a reason for that. Ms. Shaub.

Ms. **Shaub**. No other forest in the United States has one-third of the forest in wilderness and going back to 1980 when they put a third of the Tongass National Forest into wilderness——

Senator **Wirth**. Now it is in the record, let me point out Ms. Shaub, that there are many many other national forests that have a much higher percentage of that forest in wilderness than does the Tongass.

Ms. **Shaub**. Which forests are those?

Senator WIRTH. There are twelve other ones and I will be happy to point those out for the record.

Ms. SHAUB. The other point you are asking is why they are treated differently. It was my understanding that the Tongass was the only one but that was the reason why we had to have the additional—well, in order to keep up we had to go into the areas that were—had valuable timber, we had to add more money into the management, money for the Tongass in order to access those areas.

Senator WIRTH. There is a large part of the Tongass that is in wilderness. The argument was made, as I understand it, the argument that you and Mr. Pihl are making is that one of the reasons that this exists, I think that is what you are making, is one of the reasons that this exists is that such a high percentage of timberland is in wilderness.

Ms. SHAUB. One-third of the forest land is in wilderness.

Senator WIRTH. How much of the land—of the wilderness land is in fact timber area?

Ms. SHAUB. There is 5.5 million acres in wilderness and I believe about two-thirds of that 5.5 is forested and about half of that is commercial forest land and 1.7, I believe, of the wilderness is commercial forest land.

Senator WIRTH. How much of that is commercially high volume timber, do you know, the part that is in wilderness? That is the area that it states here, how much of the forest wilderness area is commercial—high quality commercial timber area?

Ms. SHAUB. I will not be able to tell you that off the top of my head but I believe the Forest Service documents that—will show surely a representative sample I believe between eight to 21 million board feet, 20 to 30 and 30 to 50, three categories that they are generally put into. The largest category is 20 to 30 million board feet, that is where most harvesting takes place and that is what most of the higher majority of lands in the wilderness are. There is a smaller percentage of the——

Senator WIRTH. Maybe we could get you off the record but the argument is made that only 80,000 acres or less than two percent of the Tongass Wilderness consists of commercially important or high volume timber. That means the choicest timber for harvest and if those numbers are incorrect perhaps we can get back from you a correction of that second point about the national forests and the percentage of those other national forests in wilderness. It is my understanding that there are many other national forests that have a higher percentage of wilderness. That may not be correct but we will make sure that we put that in the record and I will ask the staff to make sure that that is included in the record.

Ms. SHAUB. May I just make another point, how Alaska is different?

In other national forests when a company makes an investment into a sawmill they rely just on Federal timber, they generally have private timberland contracts to supply the mill as well. In southeast Alaska the industry was attracted here simply from federal timber and in order to attract that investment they needed to have an ensured wood supply made available. That is quite different than other National Forests.

Senator **WIRTH**. We have found in a study done for the Committee by the Congressional Resource Service, that the percentage of designated wilderness, for example, in the Northern Region and just for the record, the Bitterroot National Forest is 47 percent wilderness, the Flathead 45 percent, the Gallatin Forest 41 percent and I believe that in all Montana and the Nez Perce in Idaho is 22 percent.

Senator **BURNS**. And they want more. [Applause.]

Senator **WIRTH**. The point is that where there is small amount they want more and the point is why is it—We would appreciate it if you did not interrupt, and again let me remind the people in the audience that the purpose of the hearing is to try to get the facts out on the record and those who wish to testify will have plenty of opportunity to do so later. This is a formal proceeding and members who are here are guests of the committee.

Again, the argument is made as I understand it from Mr. Pihl, that the reason that Tongass is treated differently than other national forests—and you made that point yourself but I am just trying to understand this for the record—the reason that the Tongass is treated differently is that such a great percentage of the Tongass is in wilderness and that is unique. But I have just identified for the record that that is not unique, that in fact many other national forests have significantly higher percentages of wilderness. Maybe I——

Ms. **SHAUB**. They have private timberlands that they can also go to for supplies. Really that is different.

Senator **WIRTH**. Now just leave the record open. I think this is an important question that we are going to want to know very clearly what the answer is, why is the Tongass treated differently from other national forests.

Ms. **SHAUB**. We are not asking—Senator Murkowski believes the funding which supposedly was the big difference. We are just asking, your Honor, the commitments and the contracts that the government authorized in 1947 in the Tongass Act and recognized that southeast Alaska's timber is entirely federal timber except for the new private—native private ownership. There is no other private timber; it is the only game in town. We brought the jobs to Alaska. We met that objective and we are just asking the government to continue to honor its commitment and its contract.

Senator **MURKOWSKI**. I think it is important to note that we will be deleting these figures sometime as we have done in the past. First of all I think it is fair to try to explain once again that in 1980 we put approximately 1.2 million acres in wilderness. Now, what price wilderness? That took areas that were adjacent to areas that had already been eroded and put them in wilderness in perpetuity. That meant that rather accessible areas were taken off and put into the wilderness category. With this determined we will look at the Misty Fjords Area in the Tongass and in that area hopefully you will have an opportunity to see it excluded from all logging. The point is if you look at the Tongass lands statistically, realistically you cannot use percentages because they are meaningless.

We have already seen movements in the State of Washington to withdraw up to 2.5 million board feet from the national forest as a consequence of the concern over the Spotted Owl.

**Senator Wirth.** I am not making a percentage argument.

**Senator Murkowski.** I just wanted you to understand that it does not do any good to argue percentages; you have to have specific millions of board feet. Total acreage in the Tongass is 16.8 million. The areas of commercial forest land in the Tongass 5.4 million. Of that 5.4 million, Mr. Chairman, 1.7 million is in wilderness, permanently locked up. It is virgin old-growth timber. A million acres are closed to logging for ten years while the Teler Process is observed for fish and wildlife and other habitat considerations and 1.7 million remains for timber harvest over a 100 year perpetual year cycle.

Now the total wilderness in the Tongass is 5.4 million acres. There is a difference obviously between the total wilderness and the total acreage of commercial forest lands in the Tongass. Of the total wilderness acreage in the Tongass, and I think this is a point that has to be kept in mind as we compare it to other areas, 1.7 million acres of commerical forest land in the Tongass is in wilderness and will remain in wilderness. If you want to put that up to a size it is approximately the size of New Hampshire, larger than the State of Massachusetts. That means that the forest land available to logging of 1.7 million acres over a hundred year cycle, with a maximum cut of 17,000 acres per year or one-tenth of one percent of the forest. The average cut for 1980 to 1988 is seven thousand acres. The average acreage harvested over the last 10 years is approximately 7,000 acres and Mr. Chairman, the timber harvest levels from 1978 to 1988, per year moved from 414 to 251 million board feet, depending on the market. The reason the Tongass is different is that the Federal Government saw fit in 1980 to trade for the one million acres put into wilderness $40 million annual appropriation to allow access to the timber that remained. One can say what price wilderness, as we have seen in some areas in Northern California, in the redwoods, when they have taken timber out and they have actually paid a price on this wilderness.

Now these are facts, Mr. Chairman, and represent not the emotions but the realities associated with how you have to look at Tongass today. It took a million acres out of the commercial forest and put it into wilderness so there you are today with this reality and the question is what do we do with the rest of it and that is the whole point of this hearing.

**Senator Wirth.** If I understand the reason that the Tongass is treated differently, is that is the price for wilderness. That is the summary, that is the bottom line.

**Senator Murkowski.** That is the bottom line.

Now let's say we take away the amount——

**Senator Wirth.** Then the issue that remains is was that a wise decision to allegedly trade wilderness for special treatment of the Tongass and that is the issue. Is that the core issue that is going to be submitted to Senator Murkowski in this legislation?

**Senator Murkowski.** Well, I think that is the whole point. If we are going to debate on one end we ought to open, go back and debate the merits of the wilderness. Is it in our best interests to take a million acres out of the commercial forest and put it in wilderness? We can go back into that and each introduce a bill on either side of that and have at it but nevertheless this was out into wilderness. I am not arguing against what was already done but we have to recognize that that is what makes this forest different, different than any other forest, accessible timber put into wilderness and the rest of the timber unaccessible and that was the consideration Congress made. This is basically a commitment that there would be $40 million to access this remaining timber so now we are taking that out and that was the main objection—why should the Tongass be different, why should it be funded differently so we have withdrawn that from the legislation and said no $40 million but here again we go back to the reasons, the question asked of Mr. Pihl. I think it is evident that those were the circumstances that led into the decision to take it, a million acres out of the commercial forest and put it in wilderness.

Senator **Wirth**. In the creation of wilderness in other national forests in the country, in all the other national forests, have those forests then had a legislative target of the number of board feet to be cut or have those forests had long-term contracts on them?

Senator **Murkowski**. You have recognized that in 1952 you had very little industry here because the question was what are you going to do with the vast majority of the hemlock species when the demand for timber was limited to spruce. The export of some of that spruce was started later. I think in the first World War they made airplanes out of the spruce, they used to make salmon boxes out of the spruce, they made piano sounding boards, a relatively limited market.

The reality of how you develop markets over an extended period of time so there are many factors to consider when you look at how the industry grew, how interdependent on the species of the forest and why the pulp mills came in here. There was a territorial government, Governor by the name of Frank Heinselman. Frank Heinselman was committed as a former Chief Forester to try to get the industry to come to southeast Alaska so he went out personally and asked the Governor of the Territory and attempted to get interested parties to come in. Four pulp mills were set up, one in Juneau, one in Wrangell, one in Sitka and this one in Ketchikan. There were only two pulp mills ever built. Because there were a lot of objections to the Juneau Mill, the Champion U.S. Plywood Company signed a contract and the contract was later canceled and the Wrangell allotment some say was not sufficient to support the pulp mill in any event. There were two mills and in order to induce them to come in they were given long-term contracts and they amortized their investment and as is indicated they now have got 15 years left.

I do not know, Mr. Pihl, what you are going to do in 15 years but that is your own business. I assume that if we cancel the contracts you are going to sue the Federal Government for breach of contract and I do not know how much that is going to be worth but I assume it will be a full employment act for the lawyers in town. [General laughter.]

Now these are some of the harsh realities. You could not bring any industry in here in the early fifties and the early sixties outside of the salmon canneries and the reality of that was simply there are other places more accessible to get wood fiber to supply the markets of the world. I think you will find Ketchikan Pulp has probably changed ownership two or three times.

When I was a kid there was an American Viscose Corporation and some food machinery was in there so it had not been a hot investment or the original owners would have hung onto it and AOP has lost so much money that the Industrial Bank of Japan probably owns the mill. Nevertheless there were commitments made; if you go back to the actual settlement of the peace treaty with Japan you will find out that General MacArthur in reconstruction of the agreement with Japan provided to our State Department an understanding that we would assist the Japanese in their recovery and there is consequently the pulp mill and that pulp mill sale was actually addressed in the terms of the peace conference. So these things go way back and we are talking now of the merits of re-examining these contracts and we have every right to do so but there is an awful lot of history, there are an awful lot of players and an awful lot of good intentions and the commitments of two communities. The people, and rightly so, have the views of those who oppose and those who propose changes in the mill.

I think there are room for changes but again as we address sensitivities here, there are—well, there is a long relationship and I think it is important that you understand it and I appreciate your giving me the opportunity to provide a little bit of background information.

Senator WIRTH. I think that is one of the reasons why the Tongass is treated differently and we have to let people who are not from Alaska, with the background that you have, know why is it treated differently. One of the reasons is historic, you are setting that out as one set of reasons, and second, the trade of wilderness for forest is the second reason. I think another question that we have to ask is if long-term contracts are voided does that mean the mill is shut down and one of the reasons may be, Mr. Pihl, do you know or Ms. Shaub, do you know that when in the fifties and sixties other long-term contracts were canceled by the Federal Government as they were on every other national forest and did that result in all the mills in those forests being shut down—do you know?

Mr. PIHL. I do not know the answer to that or whether those contracts ran their term.

Senator WIRTH. They ran their term but when they were finished there was no longer a long-term contract, and did the mill shut down? In other words are long-term contracts necessary for the viablity of the timber industry, has that been shown to be the case in other forests?

Mr. PIHL. I think those mills were in areas where there were other sources of timber, private timber, ships from sawmills and that type of thing.

Senator WIRTH. I think that is an interesting point to look at. Take for example in the State of Colorado and the State of Montana where there is an awful lot of federal lands, do timber mills succeed there without access to private lands?

I think you have to understand that again, why is the Tongass treated differently and second, is there no private timber available to the mills here? That is my understanding, the timber on native lands with access to your mills, is that a fact?

Mr. PIHL. For the lower pulp grades we do buy the pulp but the higher grades are exportable and the export market pays the higher value for it and that is where it goes. It's a simple matter of economics.

Senator WIRTH. That poses the other question of economics, which is one we have not talked about here and I am sure we will at some point; it is the economics and the subsidies that occur on the forest, which again is of great concern to many of our colleagues and has been mentioned by a couple of the witnesses this morning, an issue to the continuing subsidy of timbering and why that is necessary that the American taxpayer would be subsidizing timber, especially in a situation where you pointed out, Mr. Pihl, a lot of that timber is being exported to Japan.

There are a lot of people for example in organized labor, Mr. Bukoskey, who had been very concerned about the fact that a lot of America's economic practices has been unfairly or largely subsizing the Japanese and Mr. Burns mentioned earlier we are subsidizing the Japanese with very significant amounts of military presence. How should we be doing that further or should we be looking at the economics of the situation in such a way that American taxpayers no longer—if they are—are subsidizing those up here.

Mr. PIHL. Senator, I would like to correct one impression I heard you say, we established our operations here on the primary manufacturing rule that we established and developed our shore jobs and we are processing the timber to the fullest extent possible on shore, creating the jobs in this area.

Senator WIRTH. The product I thought we established earlier and the product of one of these companies is almost exclusively going to Japan.

Mr. PIHL. That is a pulp product or a lumber product; it has gone through a mill in the vicinity. Alaskan Forests here are operated under primary manufacturing, the jobs are created on shore here. We are not frankly dealing with the problem that Oregon and Washington are wrestling with today over exports of federal timber. That is a settled question in Alaska.

Senator WIRTH. So none of the timber is exported?

Mr. PIHL. A very minor percentage of the cedar for which there is no local market is exported but——

Senator WIRTH. Where do all the logs that are cut down go?

Mr. PIHL. Off the National Forest?

Senator WIRTH. I was led to understand, I was told last night if we were to build a house in Ketchikan you would import a lot of that timber for doing that because the logs are going elsewhere, is that right?

Mr. PIHL. The logs are not going elsewhere, the National Forest timber is processed here in southeast Alaska in the sawmills.

Senator WIRTH. Where does the product go?

Mr. PIHL. The pulp mill product goes to Japan.

Senator WIRTH. I just want to understand where it goes, it does go to Japan. Well I guess we are getting a little bit circular here.

Senator MURKOWSKI. Let me establish this, I think we are sensitive to, and rightly so, as I said several times during this conversation and I will say one more time, your interpretation of why the subsidy has to be offset with the recognition that there was no wilderness in the Tongass before 1980. What we did is we made 5.4 million acres of wilderness out of the Tongass in 1980. 1.7 million acres of that was commercial timber that was put into wilderness. Now that is the offset to the question of the viability which $40 million annually made available up until proposed legislation which would end the need for strictly the price of wilderness. I do not think that is appropriate, unless you want it, and we can debate the merits of it while we have got a hearing here.

Now there is private land in southwest Alaska. Most of it is owned by the native corporations and for the most part they export those logs in the round for saw logs because they can get an awful lot more for them than they can by selling them to the existing sawmills. The problem we have is what to do with the pulp logs off the private land because they have no value as timber and are basically unable to be marketed unless you have something such as the pulp mills which basically use them for wood fiber so it is a relatively good forest management practice because if we did not have the pulp mills you would have the native corporations exporting the round logs and probably doing some selective logging and leaving the pulp in the woods. This gives us an opportunity to use that timber and it simply makes sense.

Now I was here when you had a mill called Ketchikan Spruce Mill and when I worked in it it cut regional lumber and it supplied logs to Anchorage and Fairbanks and Palmer and supplied the domestic Alaskan market. Then one day we got a barge service from Seattle and Tacoma. We could load a boxcar in Seattle with lumber and unload it at any number of ports in Alaska and that killed the industry locally because you could not compete with kiln dried fir, finished lumber in the small markets of Alaska. That mill basically shut down for awhile until it finally developed the export market because we just cannot compete in these small markets anywhere in Alaska, even Anchorage and Fairbanks, to any degree with finished lumber because it is cheaper to bring it up in a boxcar on a barge, you have all the diversification of grades, materials and so forth. That is the reality of Alaska, that is what makes it so difficult initially because we have a one-way transportation system and everything is going up and bypasses Southeast Alaska, because it is cheaper to load it out of the port of Tacoma or some other place and bring it all up and you can bring a van or a boxcar of domestic lumber and lay out to your door, all the cuts you want and you can put a little mill in the Ketchikan area and in Petersburg, go up in six months and nobody will give it any financing anyway and that is the reality and the uniqueness of this market.

That is why when you make one change the resulting changes are seven or eightfold. When you consider the realities, the pulp mills cannot export any of their logs because they are under Forest Service contracts and there is no other area in the bylaws with the exception of native corporations and native corporations sell most of their pulp to the pulp mills so you know you have somewhat of a balance. The state does not have any timber in southeastern Alaska so that is the dilemma that we live in. So when you reflect on this subsidy you have to keep in mind what the public of the

United States got for it. They got 1.7 million acres of commercial timber, not just wilderness but commercial timber, and that went into wilderness and that is what we maintain for, that is what: a million dollars a year to access other areas. Now we are doing away with it.

Senator WIRTH. Now maybe we can find out which is put into wilderness and which is commercial timber, maybe we can understand that now.

Second, let us ask if we might say what other wildernesses were created. This wilderness was done in 1980, there was a big Wilderness Bill in Colorado in 1980, there was a large Wilderness Bill at one point in Montana; when those Wilderness Bills were created did in fact—did it come with a price like the one for Tongass as well and if not, why not, what happened in Montana that was different than what happened in Colorado or was different than when we had Wilderness Bills there.

Senator BURNS. Let us clarify one thing, I think there is some confusion in some areas here.

Logs cut from public lands cannot be exported in the raw. There is a law prohibiting that and that is—we are going to try to put that into permanent law. I think we should go for value and protect our mill jobs and I think that we are a lot better off exporting dimension lumber rather than raw logs and we want to clarify this. I am—I have a question here; Mr. Pihl, would you really support reductions in the 400 million board feet goal if the TLMP determines that this level exceeds the biological probabilities of the suitable land? In other words if once these plans, the forest plan comes in, we found that that is not sustained growth, can you accept the lower figure?

Mr. PIHL. I do not think the data or the answer on that and it is not going to be in until TLMP has been completed. It has to—well, I get nervous about that, the very principle of meeting the $40 million was established on the basis that the Forest Service said that we cannot sustain 4.5 billion without the funding to go into about 25 or 30 percent marginal timber component and that is why it was necessary. In other words, not fully commercial timber.

Now I do not have—I really cannot give a full answer on that. I have heard that the Forest Service says 4.5 if you do not—the land base, that 4.5 can be sustained. The Wirth Bill involves 23 areas, 1.8 million acres additionally. That would put you in that situation where you couldn't maintain it. As a matter of fact some of the areas would put the Government in a breach situation because it involves areas, an area and a likely fail plan and committed under our long-term contract. For example, what I said, that you can take the Carter Area for example and you can protect Carter River, Carter Lake and Salmon Lake and then have a timber program that just involves the Malgilvery Valley and Edison Creek coming in from the backside—protecting the sensitive values that we all want to protect in the lower reaches of the Carter and yet have a timber program and honor the contract and have the best of both worlds. The same thing can be done in the Nutkwa Area, for example, and we have done that work that shows how you can do that and we thought we were very close to agreement with some of the environmental representatives of southeast Alaska last year.

Senator **Burns**. Now this long-term contract, does it contain some of the environmental protection clauses that short-term contracts contain that are written in the lower 48?

Mr. **Pihl**. The long-term contract is up to date, in every respect with NFMA and the other management provisions and acts. Keith Robertson of the Forest Service confirmed that in his testimony.

Our contract recently has been adjusted so stumpage is adjustable up and down and the species vary from the Forest Service estimates is adjusted thereto and under those provisions our stumpage has been set by the Forest Service back to August 1st at $68 from $2.12, that's a 32-fold increase. Now $68 times 200 million is 13 or 14 billion a year.

Senator **Burns**. I think there was a concern of the Southeast Alaska Conservation Council in their testimony in Washington, D.C., about high grading. They have made some statements in that regard. How do you respond to that?

Mr. **Pihl**. There are two charges in high grade: the first charge comes in the selection process and I just want to say that in the selection process we nominate areas based on our experience and people in the field all the time, we nominate them to the Forest Service for the five-year plan.

The Forest Service takes those and goes through a study of alternatives, they make and control the final selection so high grading in terms of selection, I do not believe it is a legitimate characterization.

The other aspect of high grading is—deals with the change in the species and this is a high value—spruce is a high value trade, as is yellow cedar, and if your removal of timber varies from the cruise that the Forest Service uses in setting stumpage rates it could be effective. In the case of our contract if that happens they re-adjust the stumpage on a quarterly basis so if there is any high grade we pay for it; we pay for the actual scale of the species that we remove.

Senator **Burns**. I think the questions of Senator Wirth are worthy questions and they need to be answered and I think when we answer some of his concerns, in fact all of his concerns, whenever it comes to dealing with public land policies, I think that they were well put and I would say that we are seeing some in the appeals process and this type of thing, we have a real tight supply right now. In Montana we have got two mills that are going to shut down. They are going to shut down so the long-term contract I believe in because nobody can make any claims to make a popular investment and process on this renewable resource unless they do have a long-term contract so I find that I still think that of course hindsight is always twenty-twenty and I really believe that those environmental issues that have been focused on today are of concern to all of us and have to do with making decisions on public land policy. We know we are in a tight supply and I would hate to see some part of the country get into the same supply problem that we have in the State of Montana so I appreciate your testimony and I have no further questions.

Senator **Wirth**. Thank you very much, Mr. Burns. I might just have one final point, to make sure that the record is clear on this and maybe I am not correct on this but in response to your answer to Senator Burns' question, in these long-term contracts what happens when the Tongass meets all of the environmental concerns, requirements of other forests and your answer to that is yes?

Mr. **Pihl**. Yes.

Senator **Wirth**. In fact is it not the case that under the Forest Management Act it is required that there be a suitability analysis done by the Forest Service, to look at the forest and to determine whether or not certain tracts are suitable for timbering and that the requirements under the Forest Management Act are that suitability analysis be done and particularly economic viability and biological salability and that is required of every forest but for reasons which I—well, I hope you can get for the record, that is waived under ANILCA, under ANILCA that the suitability requirements are waived; in other words Senator Burns' question said—asked a little different to say, most ways the same requirements are there but ANILCA the suitability requirements are waived and there are not the same environmental requirements on the Tongass as there are on other national forests.

Maybe we can get to that—well, might submit that for the record but again one of the things that I think we have to understand why the Tongass is treated differently, why is the suitability requirement analysis required of every other national forest and not required of the Tongass.

Mr. **Pihl**. When the 5.4 million acres was put in wilderness as a part of ANILCA in 1980 and the funding was set up to reach into that marginal timber component, in order to do that and to make that provision, let us say the 4.5 billion took an exception to that suitability analysis that you are referring to and I think it is Section 705(d) and Congress recognized that if you are going to be forced into the marginal timber components, was stated as 4.5, you had to have that provision of that section from the suitability to the extent to be forced into that marginal timber. That is my understanding of that extension.

Senator **Wirth**. I think that you—maybe that would be the case. Again, the waiving of the suitability requirement was driven by the 4.5 billion board feet requirement.

Mr. **Pihl**. No, it is by the 5.4 million acres put into wilderness, sir.

Ms. **Shaub**. The objectives they are trying to reach at that time—there were a group of people that wanted 5.5 million acres of wilderness and there was the timber industry that wanted to maintain jobs and there was the fishing interest who wanted to more fully protect resources in areas that went into wilderness but would be harvested for timber and in trying to balance all of that it was not just timber, it was not just wilderness, it was sort of all of those issues and how to balance that and when they had all those interests it did not work, you could not have 4.5 million acres and still maintain the job level so Congress said, "Well, let us figure out a way that we can have this amount of wilderness and keep the jobs, those are two things we want and let's figure out how to do this".

One way they figured out how to do it was to, let us go into some of these areas that are—well, we do not consider them commercially harvestable or they are marginal but these are the kinds of areas that in the National Forest Management Act says you cannot harvest because they are not economic but in order to make this thing work you had to access those areas. What are we going to need to access? We are going to need some extra money and the extra money was in order to get the 5.5 million acres and also to get the jobs so it was not, when you call that extra money and the extra money was only 11.7 million dollars, not 14, it was an additional amount to spend on the Tongass. It was as much as you wanted to call it a subsidy and the hair always starts raising on my back when you hear "subsidy" because I disagree with that term.

Senator **Wirth**. What is a subsidy for some is a necessity for others. The fact is it is a revenue enhancement. You can use vocabulary in a wonderful way.

Ms. **Shaub**. Yes, but it is just as much to make that objection for the wilderness as it was for the jobs and protecting other resources. It was to make the deal work because it was not just working under normal means and so it was the result of a compromise and it was the result of promises, both to the people who wanted 5.5 acres of wilderness and the people who wanted to keep their jobs. It was a balance and it was a very delicate balance and that is what we are playing with here and it is not fair to say that that 5.5 million acres is in the bank now, now we are going to go after the rest and what's left there is the jobs. That's why we are saying it's not fair, you have got to look at all those objections, what they were dealing back then and how it came about.

Senator **Murkowski**. I think he has answered your question along with Mr. Pihl. It is simply a matter—you have got to cut a certain amount of timber to maintain, reduce the timber or you lose the job, it is just that simple. In 1980, without the marginal timberlands to sustain the yield drop, I think the 4.5 for that decade or 3.8 because of the wilderness designation and that is the cost of lots of jobs and so, Mr. Chairman, neither you or I would want to invest in a mill if we did not have enough timber to sustain the mill to amortize investment and that is what we are talking about the mills here and a 50-year contract was made and they put improvements in and provided employment and now they are 15 years from running out and the thing that concerns me more than anything is they are contemplating making changes. Before we finish the TLMP. There is a sense of it being made available for input for outside of Alaska and that is allegedly going to be ready to use and this recognition I think goes—which recognition that certainly should be considered because I would certainly agree with you that changes are needed.

Senator **Wirth**. Well, we thank you all very much and again you are going to get back to us with any thoughts that you have. Again I think one of the key issues that we face, a variety of questions, if Tongass is treated one way and the forest is treated another—

Senator Murkowski recited very clearly a lot of history for that, there are a lot of reasons and we have to make sure that we understand for the record in making a decision why payment occurs in one case and not in another. That is one of the fundamentals and I think one of the differences between Senator Murkowski's legislation and my own, is that we are attempting to make this look like all other national forests are treated and then if there is a reason not to do so then we should know it.

Thank you all very much, that was a long panel but a very interesting one and a lot of these issues have emerged and I wanted to get some of these issues on the record. We thank you all very much and Ms. Shaub, you are a very good representative of the loggers. You can go home and tell them you earned your keep.

Senator MURKOWSKI. I want to compliment the panel too.

Senator WIRTH. The final panel of the morning is Ms. Sylvia Geraghty, representing Alaskans for Responsible Resource Management (will you all please come up to table two) and Jackie Canterbury of the Tongass Conservation Society, Joe Mehrkens of the Wilderness Society, Natural Resource Center, Matthew Kirchhoff, Alaska Chapter of the Wildlife Society, Joan Kautzer of Alaska Women in Trees, Wayne Weihing. We will include your testimony in full in the record and let me ask you, any of you would like to do so, we will just go through and you can read your statements if you want and we will include those in the record or we might ask, some of you might want to address any of the issues that came up in the previous panel and if I was attempting to kind of get us, at some point kind of honing the issues down here so if any of you, instead of reading your testimony want to comment on any of those we welcome that as well.

Ms. Geraghty.

## STATEMENT OF SYLVIA GERAGHTY, REPRESENTING ALASKANS FOR RESPONSIBLE RESOURCE MANAGEMENT

Ms. GERAGHTY. My name is Sylvia Geraghty, I am from Tokeen and I was born in the Territory of Alaska 50 years ago. I am here representing Alaskans for Responsible Resource Management, ARRM, a group of small logging operators, fishermen, trappers, and others. We have about 150 supporters.

I would like to respond to a couple of those things that were brought up by the last panel, for one thing less than four percent of the wilderness contains high volume old growth which is 30,000 board feet above—which is really commercially valuable timberland. That is less than four percent of the 5.4 million acres that are in wilderness and neither of the two mills lost one acre or one board foot due to the Wilderness Act.

The little bit that was lost was replaced by higher volume acres so they did not indeed lose anything; none of their land was lost to wilderness.

I would personally like to thank you Senator Wirth, for your interest in the Tongass. I would urge you to add affirmative protection to the 23 key areas.

The members of our organization have seen many years of timber industry and Forest Service bureaucracy out of control and we have seen critical errors in attitude to those of us who generally have deep concern over the Tongass and when a Congressional delegation refers to the Alaskan people as they all share an appropriate timber industry view which is obviously far from true. Thousands of us do not share that, so it has been a land of opportunity for the timber industry, also it is our land and far too often their riches equal our losses. Favorite bays and coves, fish and game habitats, recreational opportunities and indeed a way of life has changed forever with the impact of this industry. Prince of Wales and adjacent islands have at least one mile of road for every man, woman and child living there. How much room do we actually need?

Senator **Wirth**. Could we have a little more quiet in the audience please? If you want to speak go outside and then come back.

Ms. **Geraghty**. What does the future really hold for us when all the old growth timber is gone? It is a very likely possibility that there will be no timber industry; it is very unlikely that second growth from Alaska will ever compete with second growth from Washington or Oregon, so this is basically a one-time industry.

We are certainly aware that loggers are not responsible for the problems we have today. They are merely doing their jobs and make no decision on where or when. ARRM strongly supports the small, independent operators and mills and their employees. We believe that the 50-year contracts must be terminated and replaced with a sytem of short-term competitive sales. We would like to see an expanded, localized, sustainable, permanent industry replace the current industry with an emphasis on value-added processing which will provide more jobs from the same or less timber than is being harvested today.

ARRM believes that there is room for all of us who have chosen to make Alaska our home, but only we change the ground rules. We believe and I personally believe that my grandchildren living in Wrangell will be grateful for your legislation, Senator Wirth, and that my great grandparents buried in Petersburg will rest easier knowing that the Tongass will remain the magical place that it is today.

Senator **Wirth**. Thank you, Ms. Geraghty.

[The prepared statement of Ms. Geraghty follows:]

My name is Sylvia Geraghty, I'm from Tokeen and I was born in the Territory of Alaska 50 years ago. I'm here representing Alaskans for Responsible Resource Management (ARRM), a group of small logging operators, fishermen, trappers, subsistence users, and others. We have about 150 supporters.

I would like to personally thank you, Senator Wirth, for your interest in the Tongass and for introducing the Tongass Timber Reform Act. I urge you to strengthen your bill by adding PERMANENT PROTECTION for the 23 key areas specified in the bill. Since I live on the west coast of Prince of Wales Island, I know first hand what will happen to every inch of land not permanently protected by law.

Members of our organization have seen many years of a timber industry and Forest Service bureaucracy out of control and with an incredibly arrogant attitude toward those of us who have genuine and deep concerns over the Tongass. Our own Congressional Delegation refers to the Alaskan people as if they all share a pro timber industry view, which is obviously far from true.

What has been a land of opportunity for the timber industry also is OUR land, and far too often their riches have equaled our losses. Favorite bays and coves, fish and game habitat, recreational opportunities; indeed, our very way of life has changed forever because of the impact of this industry. Prince of Wales and adjacent islands have at least one mile of road for every man, woman, and child living there. When is enough, enough? Who decided that we needed or wanted roads everywhere? What does the future really hold for us when all of the extremely valuable high volume old growth is gone? Will we be Appalachia North, with no timber industry at all? A very real possibility. It is highly unlikely that second growth from the Tongass can ever compete with the far less costly second growth in Washington and Oregon.

We are certainly aware that loggers are not responsible for the problems we have today. They are merely doing their jobs and make no decision on where or when. ARRM strongly supports the small, independent operators and mills and their employees. We believe that the 50-year contracts must be terminated and replaced with a system of short-term competitive sales. We would like to see an expanded localized, sustainable, permanent industry replace the current industry with an emphasis on value-added processing which will provide MORE jobs from the same amount or less timber than is being harvested today.

ARRM believes that there is room for all of us who have chosen to make Alaska our home, but only if we change the ground rules. We believe that we can have a restructured timber industry that doesn't hurt other Alaskans. We believe that we can live in peace and harmony. I personally believe that my grandchildren living in Wrangell will be grateful for the changes that will come about as a result of Senator Wirth's legislation, and I believe that my great grandparents buried in Petersburg will rest easier knowing that the land they loved will always be a special, magical land -- not just a tree farm.

The Forest Service tells us they must honor their two 50-year contracts. We believe that they have a far more important contract, one with the American people, and that they have failed to meet the terms of that contract.

Sylvia Geraghty
Tokeen Ak 99950

Senator WIRTH. Ms. Canterbury.

## STATEMENT OF JACKIE CANTERBURY, REPRESENTING THE TONGASS CONSERVATION SOCIETY

Ms. CANTERBURY. Mr. Chairman, my name Jackie Canterbury and I live in Ketchikan. I am here representing the Tongass Conservation Society, which is a diverse large member group here in Ketchikan. As an educator I have spent many years on Prince of Wales Island at which time my interest and suspicions began concerning the mismanagement of the Tongass National Forest.

The Tongass Conservation Society applauds Senator Wirth for your introduction of S. 346 and we know there is strong support for this bill. Like many individuals in southeast Alaska we are continually saddened by the loss of habitat that is occurring here in this magnificent country.

The most difficult to understand, however, is that this mismanagement continues to occur despite our levels of knowledge and experiences of the past.

What I would like to show you is a photograph of Staney Creek. Like hundreds of other streams on the Tongass this is forever changed due to Forest Service logging practices. I know that somebody mentioned this earlier, this is a creek on the west side. On Prince of Wales Island, this is what it looks like in denuded form, and as I say there are hundreds of miles of scenes like this.

If you look down here you can see the campground, what I call the campground in the clearcut, it looks like this.

[Shows film.]

Ms. CANTERBURY. And this is the multiple-use concept of the management on the Tongass, complete with a latrine here and two picnic tables in a clearcut. [General laughter.]

I will say this for the record, now these are the Nutkwa drainage and I believe one of the distinguished guests mentioned it as one of the areas they wanted to keep in perpetuity. It is beautiful and this is one of the 23 areas and beautiful drainage areas that was mentioned and the fisheries called Nutkwa. I also heard them say that Karta is a very well used subsistence in sport fishing and Naha and Sarkar were observed recently—counted about 100 swans, is also a very productive area in our local sports fishing and also this observers to birds.

Now the last thing I want to say is that it an interesting feeling to be appealing to a Senator from Colorado to save your own backyard. The Tongass Conservation Society believes Senator Murkowski is pretty much ignoring a lot of the concerns of many people that are dependent on other non-timber values in the forest and I think it has been heard today by such as fishing groups.

I work in the tourism industry in the summer so you can throw me in with that group. Unfortunately, the Tongass Conservation Society was unaware that it could have submitted the names of all its members for the lottery drawing. Senator Wirth, I have been asked to deliver these statements—for the least inconvenience I will mail these to you, the individual letters from the people in the Ketchikan who totally support your bill and I thank you.

Thank you very much.

Senator WIRTH. Thank you very much, Ms. Canterbury.

[The prepared statement of Ms. Canterbury follows:]

April 24, 1989

Honorable Senator Tim Wirth
U.S. Senate
Washington D.C. 20510

Senator Wirth,

My name is Jackie Canterbury and I live in Ketchikan. I am here representing the the Tongass Conservation Society, a diverse large member group. As an educator, I have spent five years in logging camps on Prince of Wales Island at which time my interest and suspicions began concerning the management, or shall I say **mis**-management of the Tongass National Forest.

TCS applauds you, Senator Wirth, for your introduction of S. 346. We know there is strong support for this bill. Like many individuals in Southeast Alaska, we are continually saddened by the loss of habitat that is occuring here in this magnificent country.

The most difficult to understand, however, is that this mis-management continues to occur despite our levels of knowledge and experiences of the past.

We now have the opportunity to protect 23 areas within the forest and to provide the necessary mandates for new management directions . We support all components of your bill but urge you to permanently protect all 23 key fish and wildlife areas within the Tongass.

Staney Creek, like hundreds of other streams on the Tongass, is forever changed due to Forest Service logging practices. On Prince of Wales Island alone, hundreds of miles of streamsides have been logged to the waters-edge. In the lower right corner of the photograph is a campground in a clearcut near the creek; complete with picnic tables and a latrine. This is the Forest Service's current idea of multiple use on the Tongass.

If Congress fails to act, other areas will vanish such as this productive drainage in Nutkwa. And the Karta, a popular local fishing area. Sarkar and the Naha, where observers recently counted over 100 swans. Anan, a world class bear stream. All top salmon producers.

It is an interesting feeling to be appealing to a Senator from Colorado to save your own backyard. The Tongass Conservation Society believes Senator Murkowski is ignoring legitimate concerns of the many people dependent on other non-timber values in the Tongass National Forest.

Unfortunateley, TCS was unaware that it could have submitted the names of all of it's members for the lottery drawing. I have been asked to deliver these statements from _____ people who signed up to present oral testimony supporting Senator Wirth's bill but whose names were not selected.

In closing, I will use the words of Gifford Pinchot:

*"In the administration of the forest reserves it must be clearly borne in mind that the land is to be devoted to its most productive use for the permanent good of the whole people and not for the temporary benefit of individuals or companies."*

It is time for change!!!

Sincerely,

Jackie Canterbury
Tongass Conservation Society
724 Bayview
Ketchikan, Alaska
99901

Ketchikan Daily News,

Saturday-Sunday, April 22-23, 1989

# In response

EDITOR, Daily News:

I am writing in response to your April 20 editorial, "Character assassins", in which the writer objected to Bart Koehler's statement that the upcoming Tongass Timber Reform hearings will be stacked in favor of industry. The writer expressed anger "at accusations besmerching (sic) the honesty and integrity of Alaskans and their elected representatives."

I am one of the local people who put her name in the hopper in hope of being selected to speak at the hearings. All that week, the Ketchikan Daily News exhorted members of the public to sign up to speak. Hence, it was amazing to learn that 406 people had applied to speak in Ketchikan. Upon calling Beth Norcross at the Senate Energy Committee Office in Washington, D.C. I was told that until the last day to register to give oral testimony, 75 to 100 people had applied to do so. Subsequently, I heard that on Friday, Senator Murkowski's office in Ketchikan was provided with lists of people to testify by the Ketchikan Chamber of Commerce and Southeast Stevedoring. Senator Murkowski's Juneau office was given lists by the Alaska Logger's Association and Southcoast. All told, the offices were flooded by 300 additional names.

I telephone Senator Murkowski's office in Washington, D.C. because it seems to me that the process is tainted. It seemed ill-advised to accept last minute lists that increased the total number of names by 300 percent. Clearly, industry did stack the deck for testimony, and why not? The issue could have been entirely avoided by stating at the outset that only requests to testify on the part of individuals would be accepted.

The writer of the editorial seemingly objects to having those favoring Tongass Timber reform express their opinions, yet says nothing about the rhetoric from the other side. For example, an Alaska Logger's Association radio spot reassures us that only 10 percent of the Tongass National Forest will be logged. This leaves the unsuspecting public to think, hey, why all the fuss? What is left unsaid is that the 10 percent figure represents 1,750,000 acres, or 68 percent of the total available commercial forest land, and the remaining 32 percent is probably uneconomic for harvest. Thirty-four percent will be harvested in conjunction with the two 50-year contracts. Presently, one third of the way through the first 100-year rotation, about 40 percent of the total volume available has been harvested.

In yet another case, an ALA newspaper ad tells us not to worry, the forest grows back after harvest. However, the issue is not whether or not the Tongass supports timber regeneration. The issue is the fact that even-aged stands destroy wildlife habitat and become biological deserts.I have spent some time in the 70 to 75 year old timber stands on Prince of Wales and Heceta Islands that were subjected to experimental thinning, and there is no undergrowth, no deer or bear sign, no fur bearer sign, no bird song. They provide a harbinger of what is to come. Imagine thousands upon thousands of acres of desolate, silent forest. It is in recognition of this fact that the Forest Service initiated experimental thinning, in an effort to open the canopy to provide corridors for wildlife habitat. I want my children and their children to experience the ecological diversity that can only be found in "decadent" old growth stands.

It's time to wake up and smell the coffee. More insightful and responsible news reporting would help people decide what position to take. As a member of SEACOPS, I support Senator Murkowski's efforts to halt foreign interception of salmon. As a member of this community, I deplore Senator Murkowski's stance on logging of the Tongass. It is pathetic to suggest that it is unAlaskan to favor conservation of our resources.

Sincerely,
CHRIS RABICH CAMPBELL
Ketchikan

Senator WIRTH. Mr. Mehrkens.

## STATEMENT OF JOSEPH R. MEHRKENS, SOUTHEAST ALASKA NATURAL RESOURCES CENTER

Mr. MEHRKENS. I am Joseph Mehrkens and I represent the Southeast Alaska National Resources Center located in Juneau, Alaska. The Center is a joint venture between The Wilderness Society and the Underhill Foundation.

My statement is in support of your bill. This bill will strengthen the region's economy and protects important fish and wildlife values that are vital to commercial fishing and subsistence uses, recreation and tourism.

In 1980 when Congress acted on the Alaska Lands Legislation jobs were the major issue. At that time timber employment was at record levels due to favorable market conditions. Today's record timber employment is also the result of a market recovery but is dominated by intensive logging on private lands.

In the almost 10 years since the Alaska National Interest Lands Conservation Act was enacted, we have gained a much clearer understanding of what affects timber employment in southeast Alaska.

First, we know that massive public subsidies to log the Tongass cannot offset declines in timber demand and resulting job losses.

Second, we know that the increases in the timber industry and employment is the result of accelerated logging on private lands which has actually masked a decline in Tongass timber dependent jobs since 1980.

Third, I can say that the Tongass Timber Reform Act will not effect Tongass timber dependent employment.

Because Alaska is a higher than the average cost to produce it, it is less competitive. This means that the Tongass dependent timber industry is the last to enjoy the new and improving markets and the first to feel the softening markets.

Because of this competitive position of the Tongass timber dependent jobs are substantially below 1980 levels and this is in spite of the fact that we have had vastly improved markets in 1970 and 1980.

Looking to the future, the future opportunities for logging and Tongass dependent timber industry will be diminished as logging increases on marginal timberlands. For thirty years now we have concentrated on taking only the best trees and only the higher quality stands and greater use of lower quality timber in the future will make Tongass' dependent industry even more susceptible to market cycles, while employment opportunities will also fall off with the declining demand for Alaskan products in Japan. Alaska's timber demand is closely tied to Japanese housing starts. Housing starts are expected to fall this year and will remain at lower levels until the mid 1990s. While we are at a peak in the market cycle for pulp, a recent Forest Service study states that the demand for Alaska's pulp is expected to peak above 260,000 metric tons in the period 1987 to '88 and decline gradually to approximately 140,000 metric tons by the year 2000. The implications for unemployment are obvious; either both mills operate at 50 percent capacity or only one mill will be operating at historic rates. This is an economic fact of life and has no relationship to the log supply on the Tongass National Forest.

Out of the Tongass Timber Reform Act there will be sufficient timber supplies to meet the demands into the foreseeable future. If all protected lands are permanently set aside from the timber base, the current allowable cut would only—I said now 450 would only decline to about four hundred million board feet per year. This is well above the average annual harvest of 316 million board feet taken since 1977 and well above last year's harvest of 331.

Thank you.

Senator WIRTH. Thank you very much, Mr. Mehrkens.

[The prepared statement of Mr. Mehrkens follows:]

THE SOUTHEAST ALASKA NATURAL RESOURCES CENTER

*130 Seward Street • P.O. Box 20212 • Juneau, Alaska 99802 • (907) 463-5333*

---

## STATEMENT OF JOSEPH R. MEHRKENS OF THE SOUTHEAST ALASKA NATURAL RESOURCES CENTER ON THE TONGASS TIMBER REFORM ACT, BEFORE THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES, APRIL 24, 1989, KETCHIKAN, ALASKA.

---

Mr. chairman, I am Joseph R. Mehrkens. I represent the Southeast Alaska Natural Resources Center located in Juneau, Alaska. The Center is a joint venture between The Wilderness Society and the Underhill Foundation. The Center's work is directed at improving the economic and ecological management of the Tongass National Forest.

I have lived in Southeast Alaska for 14 years. Early in my career with the Forest Service, I worked as a forest hydrologist on the Stikine Area of the Tongass. When I resigned from the agency in 1987, I was regional forest economist for the Alaska Region. One of my principal duties as regional economist was to prepare Tongass timber supply and demand reports to Congress required by the Alaska National Interest Lands Conservation Act (ANILCA).

My statement is in support of S. 346. This bill will strengthen the region's economy, especially if the 23 areas now proposed for a five-year logging moratorium are permanently protected. Local communities, professional resource managers and various trade organizations have identified these areas as economically important. They contain important wildlife and fisheries values that are vital for commercial fishing, subsistence uses, recreation, and tourism.

In 1980, when Congress acted on the Alaska Lands legislation jobs were a major issue. At that time, timber employment was at record levels due to favorable market conditions. From 1981 to 1986, timber employment declined due to poor market conditions -- despite large public subsidies used to make Tongass timber available to the industry. Today's record timber employment is the result of a market recovery dominated by intensive logging on private lands.

**In the almost ten years since the Alaska National Interest Lands Conservation Act was enacted, we have gained a much clearer understanding of what effects timber employment in southeast Alaska.**

- **First, we know that massive public subsidies to log the Tongass can not offset declines in timber demand and resulting job losses. This means recent gains in employment will be followed by losses as we proceed through the ups and downs of the timber market cycle.**
- **Second, we know that the increases in timber industry employment are the result of accelerated logging on private lands which has masked a decline in Tongass timber dependent jobs since 1980.**
- **Third, we know that the Tongass Timber Reform Act will not effect Tongass dependent employment. In fact, the Tongass Timber Reform Act will provide greater job opportunities throughout the region and make the timber industry more competitive.**

The remainder of my testimony puts the factors affecting past and present Tongass-dependent timber employment into perspective.

## What Controls Tongass Timber Employment

Tongass-dependent timber employment is first limited by the overall competitiveness of the Alaska timber industry in Pacific Rim markets. Within this structure, employment levels will fluctuate with the cyclical demand for Alaska timber.

In recent years, the timber industries in Alaska, British Columbia and the Pacific Northwest have reduced production costs to become more competitive in Pacific Rim markets. However, Alaska's competitors in British Columbia have higher quality and more accessible timber. In the Pacific Northwest, logging costs are significantly lower because high-quality second-growth timber is readily accessible. Native corporations in southeast Alaska have higher logging costs, but enjoy higher timber prices which make them more competitive. Being less competitive, the Tongass-dependent timber industry is the last to enjoy new and improving markets and the first to lose-out in softening markets. Employment opportunities are directly tied to the demand for timber and will follow the ups and downs of Tongass timber demand.

Because of Alaska's last-in and first-out market position, the Tongass timber industry has not fully captured the benefits of market recovery. The region's sawmills are still operating at low levels. Lumber exports in FY88 were 120-150 mmbf, lumber tally (lt). This is substantially lower then the average of 265 mmbf,lt, from 1977 to 1980. In contrast, the production of dissolving pulp has achieved the same high levels experienced in the late 1970s. However, the portion of Tongass timber used to make pulp has declined from the 90 percent used in the late 1970s, to about 62 percent in FY87 and FY88. The pulpmills are substituting timber from private lands and logs imported from British Columbia in place of the Tongass timber. Since 1980, log imports from British Columbia have averaged about 40 MMBF and reached a peak of 78 MMBF in 1986.

## Past and Present Timber Employment Trends

Based on Forest Service information, there were 2,950 direct timber jobs in FY80. Employment gradually fell to a low of 1,950 jobs by FY85 and then increased to about 3,200 jobs in FY88. The FY88 estimate for total timber jobs in southeast Alaska is about 10 percent higher than the peak levels recorded during the late 1970s. This is not the case for Tongass-dependent timber employment. Tongass-dependent timber jobs today are substantially below FY80 levels. Tongass-dependent timber employment was estimated at 2,500 jobs in FY80 and has declined about 25 percent to 1,900 jobs in FY88 -- even with vastly improved markets during FY87 and FY88. Thus the Tongass-dependent share of total timber employment in southeast Alaska has fallen from about 85 percent in 1980 to 58 percent in 1988.

The increase in the region's timber employment is primarily due to accelerated logging on private lands. Logging on private lands has steadily increased from 61.5 mmbf in FY80 to 305.2 mmbf in FY88. In contrast, logging on the Tongass decreased from 428.3 mmbf in FY80 to 331.5 mmbf in FY88. Private timber harvests have nearly equalled or exceeded Tongass timber harvests since 1985. While timber harvests on private lands primarily boosts logging employment, it also contributes to pulpmill jobs.

## Future Employment Opportunities

The future competitiveness of the Tongass timber industry will be diminished as logging increases on marginal timberlands. For thirty years only the best trees and higher quality stands have been harvested. Since 1950, the most economically important species (Sitka spruce) on the forest accounts for about 27 percent of the total volume harvested. Its natural distribution over the forest and the timber base is only 11-14 percent. This means that the most profitable trees have been cut twice as fast as what can be sustained over the harvest rotation. The timber industry has concentrated logging on the higher than average volume timber stands. The average volume per acre for the Tongass timber base is between 22,000 to 26,000 mbf/acre. Yet, harvest yields for the last 30 years have been much higher, about 40,000 to 42,000 thousand board feet (mbf) per acre . The practice of concentrating on Sitka spruce and taking only the higher volume timber stands lowers the value of remaining timber supply. The greater use of lower quality timber in the future will make the Tongass-dependent industry even more susceptible to market cycles and create greater fluctuations in employment.

Future employment opportunities will fall off with the declining demand for Alaska sawn products in Japan. Alaska's timber demand is closely tied to Japanese housing starts. Housing starts are expected to fall this year and will remain at lower levels until the mid 1990s. Actual starts were 1.674 million in 1987 and are expected to decline to 1.2 million over the next six years. Moreover, there has been a relative and absolute decrease in wood-based housing starts in Japan since 1979.

There has been a slow steady decline in the demand for dissolving pulp worldwide due to increased competition from cheaper, petroleum-based substitutes. Southeast Alaska producers face competition from lower cost pulp producers in other nations. A recent Forest Service study states the demand for Alaska's dissolving pulp is "...expected to peak above 260,000 metric tons in the 1987-88 period, and decline gradually to approximately 140,000 metric tons by the year 2000." The implications on employment are obvious. Either both mills operate at 50 percent of capacity or only one mill will be operating at historic rates. This is an economic fact of life and has no relationship to the log supply on the Tongass National Forest.

## Jobs and the Tongass Timber Reform Act

An effort is currently underway to convince the residents of Southeast Alaska that the Tongass Timber Reform Act will devastate the region's economy. This is clearly designed to polarize the various communities, industries and organizations affected by the management of the Tongass. Yet area residents already have clear priorities on Tongass reform. A recent opinion poll conducted by the Sealaska Corporation indicates that a majority of southeast Alaskans believe that now is the time for compromise on the Tongass and that areas important for wildlife, fisheries, recreation, and subsistence should be withdrawn from the timber base.

Under the Tongass Timber Reform Act there will be a sufficient timber supply to meet timber demands into the foreseeable future. If all proposed protected lands were permanently set aside from the timber base, the current allowable cut of 450 million board feet (mmbf) per year would be reduced to approximately 400 mmbf per year. This amount is well above the average annual harvest levels of 316 mmbf taken since 1977 and well above last year's harvest of 331.5 mmbf.

The Tongass Timber Reform Act will also create more competition for Tongass timber by eliminating the long-term timber sales and replacing them with competitive short-term timber sales. Based on the Sealaska opinion poll, this is precisely the result a majority of residents want; the opportunity for more timber firms to compete for Tongass timber. Greater competition should also bring about a more efficient timber industry that is less dependent upon taxpayer subsidy. More competition should also create a better local market for native-owned timber. Passage of the Tongass Timber Reform Act would open the door to allow more of the non-exportable Native timber to support local timber-related jobs.

## Conclusions

The debate over Tongass Timber reforms should focus on how strengthen the economy through programs and land allocations that promote other forest dependent industries such as commercial fishing and tourism. Alaska will continue to be a small scale timber supplier to the Pacific Rim. As in the past, the demand for southeast Alaska timber will control employment levels regardless of large supply-side investments on the Tongass. The forecast for Tongass timber strongly suggests that the timber industry will begin to play a smaller role in the region's economy. We must begin to prepare for this transition. The Tongass Timber Reform Act sets the stage for strengthening the economy by bring the management of the Tongass into better balance and creating a more equal treatment of all forest dependent industries.

The reform legislation is consistent with the desires of a majority of southeast Alaska residents, who according to the Sealaska study, consider commercial fishing as the most important industry in the region. Residents have also stated that growth in the non-timber industries should be the number one priority in the revised Tongass land management plan.

I urge the committee to pass S.346 with an amendment to provide permanent protection for the 23 areas identified in the bill as having high wildlife and fisheries values.

Senator WIRTH. Mr. Kirchhoff.

## STATEMENT OF MATTHEW D. KIRCHHOFF, ALASKA CHAPTER, THE WILDLIFE SOCIETY

Mr. KIRCHHOFF. My name is Matt Kirchhoff and I am a research biologist with the Alaska Department of Fish and Game. I have been working since 1978 in southeast Alaska towards the research project. I an here today representing the Alaska Chapter of the Wildlife Society, which is a professional organization of over 150 biologists in our state.

I appreciate the opportunity to testify before you today and I would like to add to the record a paper titled "Wildlife and Old-growth Forests in Southeast Alaska" which was recently published. It goes into more detail than I can go into here.

A couple of issues just briefly that I would like to respond to. It has been argued and we hear a lot of percentages, we are talking about whether we should use 80 percent or 90 percent. I have heard the 10 percent argument used a lot and they are only allowing me 10 percent of the time so what is the problem? Well, it is a little misleading if you look at it that way because as you know most of the Tongass is either non-forested or non-commercial timber and so it has no value to the timber industry. Also, very much below the reach of the wildlife species.

Senator WIRTH. You say most of the time, what are you saying?

Mr. KIRCHHOFF. 65 percent.

Senator WIRTH. So we are talking about 35 percent, is that right? Is that a generally agreed number?

Mr. KIRCHHOFF. Generally a third of the time.

Senator WIRTH. In the Tongass generally a third is what?

Mr. KIRCHHOFF. The cost line is commercial, it is about half of that amount in low volume. Much of the economic timber in——

Senator WIRTH. Half of the remaining 35 percent?

Mr. KIRCHHOFF. That is correct.

Senator WIRTH. I——

Senator MURKOWSKI. I wonder if the witness could indicate not in percentages but in actual acreage in the Tongass, what is the total acreage in the Tongass National Forest?

Senator WIRTH. 16.9 million acres.

Senator MURKOWSKI. That is correct, and you are saying 65 percent of that is non-timber?

Mr. KIRCHHOFF. Not commercial forest lands and that includes alpine lakes and rocks and glaciers.

Senator MURKOWSKI. And the part that is not commercial timber is what?

Mr. KIRCHHOFF. About 26.

Senator MURKOWSKI. And you say up to 1.7 is permanent growth?

Mr. KIRCHHOFF. I am not familiar with that figure.

Senator MURKOWSKI. Thank you, Mr. Chairman.

Senator WIRTH. You have 5.6 in commercial timber, is that right?

Mr. KIRCHHOFF. Roughly. I think that is classified as commercial timber. Certain applicability standards have to be reached before that land can be logged. I assume that—so all of that 5.6 or 5.4 million acres is not technically suitable for timber harvest.

O.K., from a wildlife perspective then we cannot just look at the forest homogenous land places a lot of that forest land, we have to look at what types of timber are being logged, what types of habitat and where they are located and the most important is what is the effect on the wildlife population. It is not always a one-to-one relationship.

If we look at what has been logged so far we are seeing that virtually all of the logging in the Tongass to date has occurred in the lower elevations, high volume old-growth stands, located along valley bottoms, rivers and low-election hillsides. These are far and away the most productive sites in the Tongass and generally the most accessible sites.

Because of the location and structural characteristics of these stands they also serve to afford a fish and wildlife habitat. For example, some of the research that we have done on North Admiralty Island shows that in the winter of 1982 we had a three-month period that we had moderate snowfall. We had two-thirds of the deer in the North Admiralty Island using one-tenth of the habitat. That was the high volume growth of thirty thousand board feet per acre. If that were to be the 10 percent that was logged, which is the pattern that we see much of the time, it would have a far greater impact on the wildlife population than the percentage that was suggested.

Another issue I would like to talk about here briefly that has not been brought up, but we hear often the claim that logging is good for deer, it may be good for deer in Oregon and Washington but definitely not the case here in Southeast Alaska. We have a lot of records of research for over 20 years, we have work that has been done by the Forest Service, independent universities at the northern end of the panhandle, down to Metlakatla and all points are the same general conclusion that when you log old-growth forests you reduce the capability of that habitat for deer.

Two main problems would be young clearcuts would produce an abundance of forage and do not provide any protection from the snow in the wintertime, which is a critical season for deer. You see a lot of deer stretched out on a logging road, you see them in the fall and you do not see them in the wintertime. In the stages of forest succession, a 25-year cycle, in 150 years you have got what is called second growth and you cannot have second growth forest, which is important for wildlife in any season.

Now I hope you get an opportunity to walk through some of those stands while you are out here because they leave a lasting impression. I will just set this up.

In conclusion I would like to emphasize that the effects of logging affect all the species, what the debate is about is how much emphasis be given to these various things, should we be giving up deer for more jobs and now that is an issue that you have to deal with. It has got to be an issue that reflects the best interests of Southeast Alaska and the country. I would just urge that there be some room for flexibility so that we can periodically re-assess our needs based on current biological information, economic information and the whole gamut of things that change over time and I choose to support your bill because I think it does build that type of flexibility.

Senator WIRTH. Thank you, Mr. Kirchhoff.

[The prepared statement of Mr. Kirchhoff follows:]

THE WILDLIFE SOCIETY
ALASKA CHAPTER

24 April 1989

**STATEMENT OF MATTHEW D. KIRCHHOFF, ALASKA CHAPTER OF THE WILDLIFE SOCIETY, BEFORE THE SENATE SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS, PERTAINING TO TONGASS TIMBER REFORM LEGISLATION.**

My name is Matthew D. Kirchhoff. I am a research biologist with the Alaska Department of Fish and Game, and have been involved in forest/wildlife research in southeast Alaska since 1978. I am here representing the Alaska Chapter of the Wildlife Society, a professional organization of over 150 biologists active in wildlife research, management and education in Alaska. I appreciate the opportunity to testify before you today on this important legislation. In addition to my written testimony, I ask that a paper titled "Wildlife and Old-growth Forests in Southeast Alaska" be entered into the record.

The Wildlife Society supports passage of Senate Bill 346. We are particuarly supportive of those sections which would remove the mandated timber supply goal, replace the long-term contracts with short-term contracts, and provide temporary protection to 23 important fish and wildlife areas. Unless such legislation is passed, the Forest Service will, in the long-term, be unable to adequately protect fish and wildlife resources on the Tongass.

From a global perspective, the type of forest we are talking about is exceedingly rare. The Tongass contains the last significant expanse of temperate rain forest in the Northern hemisphere. Comparable rain forests are found in only 6 other locations in the world. Not surprisingly, this unique environment harbors many important wildlife species, including Sitka black-tailed deer, black bear, wolves, marten, and the highest densities of brown bears and bald eagles in the world.

It has been argued that wildlife populations are not at risk because only 10 percent of the total land area will ever be logged. That statistic is misleading, as most of the Tongass is composed of rock, ice, treeless alpine, or scrub forestland which has no value to the timber industry and only limited value to wildlife. Of greater relevance to wildlife are the questions of: (1) what *types* of old-growth are being logged; *(2) where* is logging taking place; and most importantly, (3) how will the loss of that habitat affect wildlife populations? After 20 years of research on forest/wildlife interactions in southeast Alaska, we can answer that last question with some degree of certainty for selected species.

To really understand the wildlife problem, we must step back from the acreage figures and the percentages, and look at *what* is being logged. Virtually all of the logging on the Tongass to date has occurred in higher-volume old-growth stands located along valley bottoms, rivers, and low-elevation hillsides. These are far and away the most productive, and generally the most accessible sites on the forest. Because of the location and structural characteristics of these stands, they typically comprise he most important wildlife habitat as well. For example, research shows that during periods of deep snow, up to 2/3 of all deer use occurs on 10 percent of the habitat base. That 10 percent is the high-volume old growth. Should those core wintering areas be logged, the impact on long-term deer carrying capacity will be substantial.

High-volume old-growth stands are relatively rare on the Tongass. The most recent forest inventory shows that the highest volume stands (over 50,000 bf/acre) comprise less than 1 percent (89,300 acres) of the total land base. While a complete moratorium on further harvest in this volume class would seem warranted, instead, *half* of the remaining stands are slated for cutting over the next 30 years. High-volume old growth represents a very small, but very important component of this forest ecosystem. In the interest of preserving forest diversity, and the wildlife dependent on that diversity, high-grading on the Tongass must be stopped.

We've also heard some claim that logging is good for deer. While that may be true in parts of Oregon and Washington, it is definitely not true in Alaska. Although deer are frequently seen using clearcuts in spring, summer and fall, they avoid clearcuts during the critical winter months. The main problem with young clearcuts is inadequate canopy cover to intercept snow. Approximately 20-25 years after logging, the canopy of the regenerating stand closes in, shading out most understory plant life. These sterile conditions persist for anywhere from 100 to 150 years, and provide minimal habitat value for deer and other wildlife. Research conducted to date indicates there is little we can do silviculturally to improve this situation.

As I mentioned earlier, scientists are beginning to quantify the effects of future timber harvest activities on deer and selected other wildlife species in southeast Alaska. Models developed jointly by biologists from the U.S. Forest Service and the Alaska Department of Fish and Game project significant long-term reductions in deer populations, and indicate that current and future human demand for deer will not be met near many southeast communities.

I use deer here only as an example, because it is the species we probably know the most about. There are similar problems with other species, like brown bears, which will be affected by increased human presence as roads and logging camps are extended into previously remote wilderness areas. Of all the wildlife species on the Tongass, there are only a few whose habitat relationships we understand well, and many whose habitat needs are not understood at all. It is highly unlikely that the level of development proposed for the Tongass can take place without adversely affecting many species that have evolved in, and are adapted to, this unique old-growth environment.

In conclusion, the old-growth forest of southeast Alaska supports a unique and still largely pristine fauna. Future wildlife diversity and abundance on the Tongass will depend on the extent to which the old-growth forest is protected-- a protection that does not appear possible under the existing timber supply mandates of ANILCA. Reform legislation is needed which grants fish, wildlife and recreation resources the level of protection the public desires and deserves.

30

# Wildlife and Old-Growth Forests in Southeastern Alaska

**John W. Schoen**

**Matthew D. Kirchhoff**

Alaska Dept. of Fish and Game
P.O. Box 20
Douglas, Alaska 99824

**Jeffrey H. Hughes**

Alaska Dept. of Fish and Game
333 Raspberry Road
Anchorage, Alaska 99518

**ABSTRACT:** The archipelago and coastal mainland that comprise southeastern Alaska include millions of hectares of old-growth forest, most of which is administered by the U.S. Forest Service. This old-growth forest includes a mosaic of different stand types that vary in form, function, and value to different species of wildlife. Certain types of old growth, particularly low elevation, high-volume stands (productive sites with large trees), are rare in the national forest and are heavily used by numerous wildlife species including the Sitka black-tailed deer (*Odocoileus hemionus sitkensis*), brown bear (*Ursus arctos*), and bald eagle (*Haliaeetus leucocephalus*). Scheduled clearcut logging of old-growth timber on the Tongass National Forest will not affect a large percentage of the land area but will have significant and long-lasting effects on our inventory of certain old-growth types and their associated wildlife species. Old growth should be recognized as a diverse and complex mosaic of forest types. Maintenance of adequate populations of many wildlife species in southeastern Alaska will require maintaining the natural diversity of forest types that comprise the old-growth ecosystem.

## INTRODUCTION

Southeastern Alaska is characterized by rugged mountains, rain-shrouded forests, and thousands of kilometers of marine shoreline. At nearly 7 million ha, the Tongass National Forest is the largest national forest in the United States and encompasses more than 90 percent of the land base of southeastern Alaska. The Tongass is located along a narrow coastal band from Dixon Entrance north to Yakutat Bay and includes the islands of the Alexander Archipelago (Figure 1).

Although old growth is rare throughout most of North America today (Thomas et al. in press), old-growth rain forest is a predominant feature of southeastern Alaska. These forests provide valuable resources (e.g., salmon, timber, and wildlife) upon which many residents depend for their livelihoods. Old growth also provides important habitat for a variety of wildlife and fish species, as well as abundant recreational opportunities for local residents and increasing numbers of tourists.

## FOREST ECOLOGY

What is an old-growth forest? In southeastern Alaska, old-growth forests, primarily western hemlock-Sitka spruce (*Tsuga heterophylla-Picea sitchensis*), have developed over centuries in the absence of widespread, catastrophic disturbances (e.g., wildfires). These forests (Figure 2) are dynamic, steady-state forests (Bormann and Likens 1979) where the death of old trees is balanced by the growth of new trees. Seedlings, saplings, and pole-sized trees grow in the scattered openings that are created as large old trees die and fall to the forest floor. Trees of all ages occur in such stands, and the ages of dominant trees typically exceed 300 years. In some stands the oldest trees are more than 800 years old, 3 m in diameter, and 60 m in height.

Old-growth forests have broken, multilayered canopies through which sunlight penetrates to the forest floor. The forest floor of an old-growth stand is carpeted by an abundance of ferns, mosses, herbs, and shrubs (Alaback 1982). Lichens and fungi add to the ecological diversity found in old-growth forests as do standing snags and decaying logs, both on the ground and in streams. Old growth is structurally complex and provides unique habitat for many species of plants and animals (Franklin et al. 1981, Schoen et al. 1981, Meehan et al. 1984, Sigman 1985, Thomas et al. in press).

When old growth is clearcut, the ecological relationships on the site change dramatically. Following clearcutting in southeastern Alaska, herbs and shrubs grow abundantly and spruce and hemlock seedlings become established. After fifteen years saplings

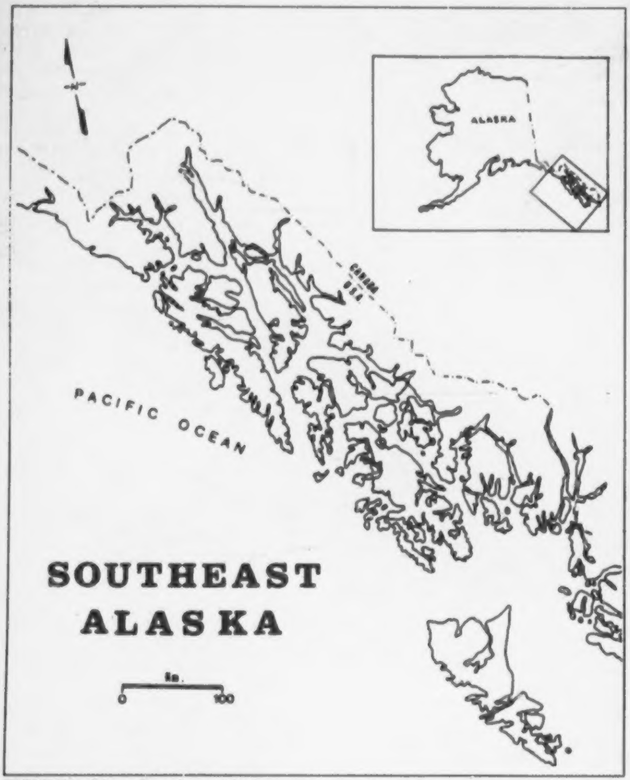


FIGURE 1. Map of southeast Alaska.

dominate the site, competing with other plants for sunlight. By twenty to twenty-five years, young trees have shaded out most other plants. For another century or more the environment within the dark even-aged second-growth forest (Figure 3) remains unproductive for many other plants and animals (Wallmo and Schoen 1980, Alaback 1982). Though timber production is high in second growth, species richness (the number of different plant and animal species) is low. Because it takes centuries to develop the ecological characteristics of old growth, stands that are clearcut every 100 years will never again regain the unique characteristics of old growth (Schoen et al. 1981, Wallmo 1982).

Old-growth forest is highly variable. It consists of a mosaic of different stands ranging from riparian spruce stands to poorly drained muskeg-bog communities. On productive sites we find tall large-diameter spruce and hemlock trees (Figure 2). These forests contain a large volume of wood per hectare and are termed "high-volume" stands (stands with greater than 74,000 bf/ha). In contrast, trees are smaller and grow more sparsely on low-quality sites. These forests are termed "low-volume" stands.

Though Tongass National Forest is the largest national forest in the United States, most of the Tongass is either nonforest or scrub forest (e.g., small, scattered trees of no commercial value). Only one-third of the Tongass land base is classified as commercial forest land, most of which is low-volume timber (U.S. Forest Service 1978) (Figure 4). Significantly, only 4 percent of the entire Tongass land base is composed of high-volume old growth.

## WILDLIFE — FOREST RELATIONSHIPS

### The Sitka Black-Tailed Deer

For many years deer were thought to be a species adapted to early stages of forest development and thus were believed to benefit from logging (Leopold 1950). In the states of Washington and Oregon, for example, deer are abundant in areas of recent clearcutting (Brown 1961). There, where most lowland old growth is long gone and snow on the winter range is rare, a patchwork of young clearcuts provides more deer forage than the second-growth forests that now cover much of the landscape.

In southeastern Alaska, however, the situation is different. Here, winter snow accumulation and the availability of high-quality winter range are the most important factors influencing deer populations (Klein and Olson 1960, Wallmo and Schoen 1979, Hanley and McKendrick 1985). The best winter deer habitat is found in old growth where food production is high and snow accumulation is low (Wallmo and Schoen 1980, Kirchhoff et al. 1983, Rose 1984). Though recent clearcuts, from three to twenty years of age, produce an abundance of potential deer forage, this is often unavailable because of deep snow (Kirchhoff and Schoen 1987). Regardless of snow conditions, however, deer forage is virtually nonexistant in even-aged, second-growth stands (Wallmo and Schoen 1980, Alaback 1982). These stands persist from about twenty-five years after clearcutting until they are cut

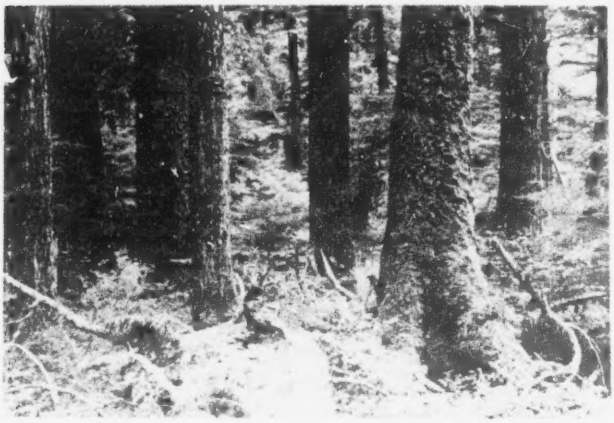


FIGURE 2. A high-volume old-growth forest in southeastern Alaska.

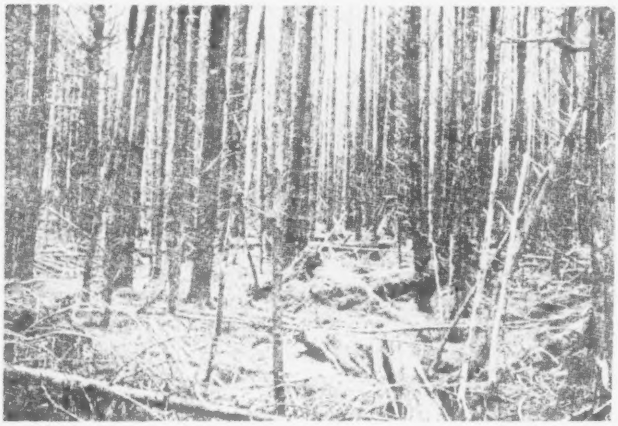


FIGURE 3. A seventy-year-old second-growth forest in southeastern Alaska.

again at rotation age, generally ninety to 125 years. In Alaska, information to date suggests that the benefits to deer of silvicultural management (e.g., thinning second growth) are marginal (Alaback and Tappeiner 1984) and the costs are high.

Though an array of habitat choices is available to deer in southeastern Alaska, these habitats vary in their ability to meet the changing seasonal requirements of deer. During the summer and early fall, deer in Alaska use a variety of habitats including clearcuts, alpine, and low- and high-volume old-growth forest. Throughout winter and early spring, however, deer use old growth almost exclusively. And during winters with deep snow, deer prefer high-volume old growth over all other habitat types (Schoen et al. 1985). The major reason for this selective use is related to a forest stand's ability to intercept snow. In low-volume stands with small trees and an open canopy, snow depths on the ground greatly reduce forage availability. Snow interception by the tall broad canopy of high-volume stands is much greater, resulting in lower snow depths and more available forage for deer (Kirchhoff and Schoen 1987).

Though high-volume old growth is important deer habitat, these same stands are also the most valuable for timber production. In the last three decades, the timber harvest in southeastern Alaska has focused on the relatively rare high-volume old growth (Hutchison and LaBau 1975), and this trend is continuing. In the next forty years, while only 5 percent of the low-volume stands are scheduled to be cut, about half of the remaining high-volume stands are scheduled for logging (U.S. Forest Service unpubl. data). This selective harvest will have significant long-term impacts on natural forest diversity and deer populations.

For example, more than three quarters of the commercial forest land in the Hawk Inlet watershed on Admiralty Island is scheduled for harvest over the next 100 years (Rideout et al. 1984). We predict that this level of cutting over the next century will reduce deer in Hawk Inlet to less than 20 percent of their current level (Schoen et al. 1985). In the next 100 years, if timber harvest proceeds as scheduled, deer populations throughout southeastern Alaska will be substantially reduced, along with hunting and viewing opportunities. Clearly the ability to maintain moderate to high population levels of Sitka black-tailed deer in southeastern Alaska is dependent on providing an abundance of high-quality old-growth winter habitat.

### Other Wildlife Species

More than 350 species of birds and mammals occur in southeastern Alaska (Sidle and Suring 1986), and many make substantial use of old-growth forests

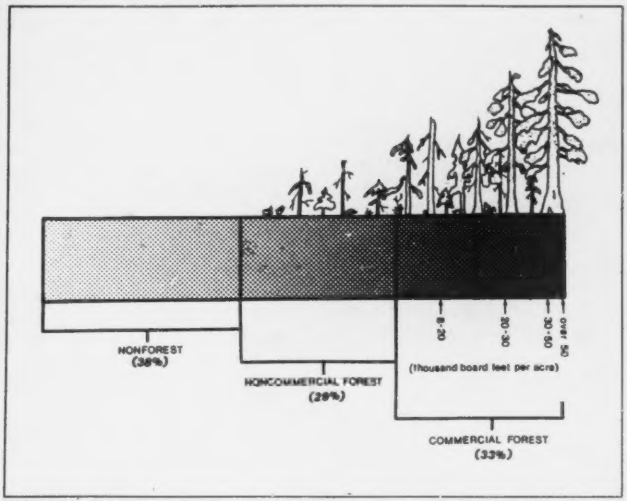


FIGURE 4. Proportion of different land and forest types on the Tongass National Forest, southeastern Alaska.

during their lives (Meehan et al. 1984, Sigman 1985).

Although grizzly bears have been reduced greatly throughout the lower forty-eight states, where they are now classified as threatened, in southeastern Alaska brown/grizzly bear populations still thrive and are especially abundant on Admiralty, Baranof, and Chichagof islands (Schoen et al. 1987). Converting old-growth forests to managed second-growth forests will result in a decrease in the number of bears the area can support (Peek et al. 1987). However, a potentially more serious consequence of logging is the extensive system of logging roads that provides entry into previously inaccessible bear habitat (Peek et al. 1987). Roads greatly increase bear-human contact and ultimately lead to the death of more bears from sport hunting, killing in defense of life, and illegal kills. Only sport hunting can be effectively managed.

Historically, our success in maintaining stable grizzly populations while intensively developing other resources in North America has been poor. Alaska represents our last opportunity for ensuring the grizzly a stronghold on this continent.

Harvesting old growth will potentially affect numerous species of birds including waterfowl, shorebirds, raptors, passerines, and even seabirds. Numerous migratory birds seek cover, forage, and nest in old-growth forests. Old growth also provides critical habitat for many resident birds during winter when inclement weather and limited food supplies threaten survival (Haapanen 1965, McClelland 1977).

Recent research (Noble 1978, Kessler 1979, Hughes 1985) indicates that at least twenty-six species of forest birds are associated with old growth in southeastern Alaska. Breeding populations of kinglets (*Regulus* spp.), woodpeckers, several species of hawks and owls, and others will be reduced as old-growth habitat disappears. Converting old growth to managed second growth greatly reduces the structural diversity of the habitat, resulting in fewer places for birds to feed, nest, escape predators, and avoid bad weather.

Similar to deer, many forest bird populations are limited by the availability of food resources during winter (Fretwell 1972). Chickadees (*Parus* spp.), kinglets, woodpeckers, brown creepers (*Certhia americana*), and other birds use old growth for foraging and roosting during winter (McClelland 1977, Mannan and Meslow 1984, Hughes 1985). One common forest resident, the winter wren (*Troglodytes troglodytes*), nests and feeds in clearcuts during the breeding season but often is precluded from using clearcuts in winter due to heavy snow accumulation.

Large, standing dead trees, or snags, which occur naturally only in old-growth forests, are used most often as cavity sites by birds. Harvesting old growth permanently reduces suitable snag habitat for cavity-dependent birds (Haapanen 1965, McClelland 1977, Mannan and Meslow 1984, Hughes 1985). Leaving suitable snags will not ensure the perpetuation of cavity-dependent wildlife. Standing snags in clearcuts only provide potential nesting sites. Without the necessary forest cover and wintering habitat upon which nonmigratory cavity-nesting birds depend, snags remain unused.

Twelve of the twenty-six old-growth associated bird species in southeastern Alaska rely on tree cavities for nesting and roosting (Hughes 1985). In southeastern Alaska, certain traits make snags valuable as bird habitat. Cavity-nesting birds throughout the Northwest exhibit a strong preference for large diameter snags for cavity excavation (Balda 1975, Mannan et al. 1980, Raphael 1980, Zarnowitz and Manuwal 1985). Large snags, more than 58 cm in diameter, are used most often as cavity nest sites by birds in southeastern Alaska (Hughes 1985). In addition, snags with bird cavities nearly always contain heartrot decay throughout the snag (Hughes 1985). Heartrot softens the tree interior and makes it suitable for excavation (McClelland 1977, Mannan et al. 1980, Raphael and White 1984). Short rotation age results in a major reduction of heartrot in second-growth stands since conifers less than 100 years old contain little decay (Kimmey 1956).

As with deer, the selective harvest of high-volume old growth may significantly impact several species of birds. For example, in surveys conducted on Admiralty Island, the winter density of hairy woodpeckers (*Picoides pubescens*) and golden-crowned kinglets (*Regulus satrapa*) was more than six times greater in high-volume stands than in low-volume old-growth stands (Hughes 1985). In a managed forest ecosystem the best way to ensure the availability of habitat for birds associated with old growth is to leave an adequate and sufficiently diverse array of old-growth stands undisturbed (Noble 1978, Franklin et al. 1981, Mannan and Meslow 1984, Hughes 1985).

Numerous other species also make extensive use of old-growth forests. More than 7000 bald eagles inhabit southeastern Alaska (King et al. 1972). Most nests occur near the coast primarily in large old-growth trees with an average age of more than 400 years (Hodges and Robards 1982). Another species that is associated with old-growth forest is the Vancouver Canada goose (*Branta canadensis fulva*), which nests, rears broods, and forages in old growth, primarily low-volume stands (Lebeda and Ratti 1983). Recent evidence also suggests that the marbled murrelet (*Brachyramphus marmoratus*), a small seabird, nests in old-growth forests in northern California (Binford et al. 1975), Vancouver Island (Harris 1971), and southeastern Alaska (Quinlan and Hughes unpubl. data).

A number of furbearers are strongly associated with old-growth habitat including river otter (*Lutra canadensis*), marten (*Martes americana*), and mink (*Mustela vison*) (Johnson 1981, Larsen 1983, Woolington 1984, Johnson 1985). During winters of deep snow, moose (*Alces alces*) also use old growth (Doerr 1983, Hundertmark et al. 1983). In southeastern Alaska, even mountain goats (*Oreamnos americanus*) use old growth where, during winter, they seek the protective cover of steep forested sites adjacent to cliffs (Schoen and Kirchhoff 1982, Fox 1983, Smith 1985).

Old-growth forests also provide important habitat for a variety of fish and aquatic organisms, including several species of salmon (*Oncorhynchus* spp.) that use forest streams for spawning and rearing habitat (Hartman 1982, Meehan et al. 1984). The long-term effects of clearcutting old growth on salmon productivity are not yet well understood.

## OLD-GROWTH MANAGEMENT: A HOLISTIC APPROACH

Though it is often convenient to describe old growth as valuable habitat to specific high-profile wildlife species (e.g., Sitka black-tailed deer, northern spotted owl [*Strix occidentalis caurina*]), we also must recognize its importance as a productive and complex ecosystem. Ecosystems are composed of interlinked plant and animal communities. These communities interact within their abiotic environments in a multitude of ways ranging from interspecific competition and predator-prey relationships to nitrogen fixation and nutrient cycling (see examples in Bormann and Likens 1979, Franklin et al. 1981, Maser and Trappe 1984, Norse et al. 1986).

Maintenance of biological diversity should be a goal of forest management and requires that all the integral parts of the ecosytem be preserved (Norse et al. 1986). Considering the recent initiation of major research efforts and limited data on the functions and processes within old-growth ecosystems, it is imperative that the remaining old-growth forests be managed conservatively.

Timber harvest is characteristically concentrated on the most accessible and valuable timber stands. This has resulted in the significant reduction of certain forest community types (e.g., high-volume riparian spruce stands) and thus an increase in habitat fragmentation and reduction of biological diversity (Harris 1984, Norse et al. 1986). Ecological problems associated with habitat fragmentation include introduction of unacceptable habitat, insularization, vulnerability to natural catastrophe, reduction in size of populations, ecological imbalances, and negative edge effects (Harris 1984, White 1987, Wilcove 1987).

The theory of island biogeography (MacArthur and Wilson 1967) provides much of the background for the recent concern over habitat fragmentation. Because the Tongass National Forest encompasses an archipelago consisting of hundreds of islands ranging in size from less than 1 km$^2$ to more than 7000 km$^2$, habitat fragmentation is an even more significant management concern in southeastern Alaska than in national forests elsewhere.

In southeastern Alaska one approach to ecosystem management would be to identify entire watersheds or large areas with natural boundaries for old-growth retention (Schoen et al. 1984). Habitat protection for an entire watershed will ensure maintenance of the natural distribution and juxtaposition of habitat types, minimize habitat fragmentation, and provide habitat requirements for all the indigenous species for which there is, as yet, little or no available data. This approach is in contrast to current management that maximizes fragmentation by allocating habitat retention in small individual forest stands within watersheds. Generally, large habitat reserves are considered better than smaller more isolated ones (Diamond 1975) and also require less management to maintain existing species and communities (White 1987). The result of a watershed approach to old-growth retention is that some watersheds would be allocated primarily to timber production while others would be allocated exclusively for production of fish, wildlife, recreation, and maintenance of biological diversity.

On lands where old-growth harvest is scheduled and biological diversity is also an important goal (though both cannot be maximized on the same hectares in southeastern Alaska), we recommend that harvest of identifiable old-growth communities (e.g., volume classes) not exceed their proportional occurrence within the planning area. In situations where a particular forest community (e.g., riparian old growth) is rare and has been identified as critical fish or wildlife habitat, a further reduction in harvest would be warranted.

## SUMMARY AND CONCLUSIONS

The science of wildlife ecology developed after most of the continent's old-growth forest had already been harvested. Thus, early generalizations about the value of old growth as wildlife habitat were founded on few data. In fact most of the research on the ecology of old growth and its associated plant and animal species has been published within the last decade. As our knowledge of old growth increases, so does our appreciation of its unique and intrinsic value.

Today the Tongass National Forest in southeastern Alaska supports the largest unbroken tracts of old growth in the United States. Though it is true that only a small percentage of the Tongass will be logged in any one year, most of that logging occurs in the relatively rare stands of high-volume old growth. This is where many of the wildlife, fisheries, and recreational values are centered. In the past, emphasis was placed on how many acres were set aside as old-growth wildlife habitat. Today an equally important concern is over what kind of acres are maintained for wildlife habitat.

"With present knowledge, it is not possible to create old-growth stands or markedly hasten the process by which nature creates them" (Society of American Foresters 1984, p. 17). Thus, management for old-growth ecosystems and the species associated with them must focus on identifying and maintaining an adequate quantity and representative variety of old-growth stands.

Old growth has become a rare and diminishing national resource. Because it takes centuries to develop the ecological attributes of old growth, the biological effects of clearcutting are cumulative and long-term. As old-growth forests are harvested, our future management options are reduced. It is important, therefore, that the public be aware of the irreversible effects of harvesting the remaining old growth on public lands. The forest management decisions we make in southeastern Alaska today will determine to what extent future generations will have the opportunity to use and enjoy the unique biological, educational, and esthetic values that old-growth forests provide.

## ACKNOWLEDGMENTS

We thank D. Anderson, K. Aubry, R. Flynn, R. McNay, and L. Suring for their constructive criticism and editorial review.

## LITERATURE CITED

Alaback, P. B. 1982. Dynamics of understory biomass in Sitka spruce-western hemlock forest of southeast Alaska. Ecology 63: 1932-1948.

Alaback, P. B. and J. C. Tappeiner, II. 1984. Response of understory vegetation to thinning in the Sitka spruce-western hemlock forests of southeast Alaska. Estab. Report on file at the Forest Science Laboratory, U.S. Forest Service, Juneau, Alaska. 57 p.

Balda, R. P. 1975. Vegetation structure and breeding bird diversity. Pp. 59-80 *in* D. Smith, tech. coord., Proceedings of the symposium on management of forest range habitats for nongame birds. U.S. Forest Service, General Technical Report WO-1. 343 p.

Binford, L. C., B. G. Elliot, and S. W. Singer. 1975. Discovery of a nest and downy young of a marbled murrelet. Wilson Bulletin 83: 303-319.

Bormann, F. H. and G. E. Likens. 1979. Pattern and process in a forested ecosystem. Springer-Verlag, New York. 253 p.

Brown, E. R. 1961. The black-tailed deer of western Washington. Washington State Dept. of Game, Biological Bulletin 13, Olympia, Wash. 124 p.

Diamond, J. M. 1975. The island dilemma: lessons of modern biogeographic studies for the design of natural preserves. Biological Conservation 7: 129-146.

Doerr, J. G. 1983. Home range size, movements and habitat use in two moose, *Alces alces*, populations in southeastern Alaska. Canadian Field Naturalist 97: 79-88.

Fox, J. L. 1983. Constraints on winter habitat selection by the mountain goat (*Oreamnos americansus*) in Alaska. Ph.D. Dissertation. University of Washington, Seattle, Wash. 147 p.

Franklin, J. F., K. Cromack, Jr., W. Denison, A. McKee, C. Maser, J. Sedell, F. Swanson, and G. Juday. 1981. Ecological characteristics of old-growth Douglas-fir forests. U.S. Forest Service General Technical Report PNW-118. 48 p.

Fretwell, S. D. 1972. Populations in a seasonal environment. Monographs in Population Biology 5. Princeton University Press, Princeton, N.J. 217 p.

Haapanen, A. 1965. Bird fauna of the Finnish forests in relation to forest succession. I Annales Zoologici Fennici 2: 153-196.

Hanley, T. A. and J. D. McKendrick. 1985. Potential nutritional limitations for black-tailed deer in a spruce-hemlock forest, southeastern Alaska. Journal of Wildlife Management 49: 103-114.

Harris, L. D. 1984. The fragmented forest. University of Chicago Press, Chicago, Ill. 211 p.

Harris, R. D. 1971. Further evidence of tree nesting in marbled murrelets. Canadian Field Naturalist 85: 67-68.

Hartman, G., ed. 1982. Proceedings of the Carnation Creek workshop, a ten year review. Malaspina College, Nanaimo, British Columbia. 404 p.

Hodges, J. I. and F. C. Robards. 1982. Observations of 3,850 bald eagle nests in southeast Alaska. Pp. 37-46 *in* W. N. Ladd and P. F. Schempf, eds., Proceedings of a symposium and workshop: raptor management and biology in Alaska and western Canada. U.S. Fish and Wildlife Service, Anchorage, Alaska.

Hughes, J. H. 1985. Characteristics of standing dead trees in old-growth forest on Admiralty Island, Alaska. M.S. Thesis. Washington State University, Pullman, Wash. 103 p.

Hundertmark, K. J., W. L. Eberhardt, and R. E. Ball. 1983. Winter habitat utilization by moose and mountain goats in the Chilkat Valley. Final Report on file at the Alaska Dept. Fish and Game, Juneau, Alaska. 44 p.

Hutchison, O. K. and V. J. LaBau. 1975. The forest ecosystem of southeast Alaska, 9. Timber inventory, harvesting, marketing, and trends. U.S. Forest Service General Technical Report PNW-34. 57 p.

Johnson, C. B. 1985. Use of coastal habitat by mink on Prince of Wales Island, Alaska. M.S. Thesis. University of Alaska, Fairbanks, Alaska. 179 p.

Johnson, L. J. 1981. Otter and marten life history studies. Final Report, Alaska Dept. Fish and Game, Federal Aid in Wildlife Restoration Project W-21-1, Job 7.10R, Juneau, Alaska. 29 p.

Kessler, W. B. 1979. Bird population responses to clearcutting in the Tongass National Forest of southeast Alaska. Alaska Region Report 71, on file at the U.S. Forest Service, Ketchikan, Alaska. 22 p.

Kimmey, J. W. 1956. Cull factors for Sitka spruce, western hemlock and western red cedar in southeast Alaska. Alaska Paper 6, on file at the U.S. Forest Service, Juneau, Alaska. 31 p.

King, J. G., F. C. Robards, and C. J. Lensink. 1972. Census of the bald eagle breeding population in southeast Alaska. Journal of Wildlife Management 47: 297-305.

Kirchhoff, M. D. and J. W. Schoen. 1987. Forest cover and snow: implications for deer habitat in southeast Alaska. Journal of Wildlife Management 51: 28-33.

Kirchhoff, M. D., J. W. Schoen, and O. C. Wallmo. 1983. Deer use in relation to forest clear-cut edges in southeast Alaska. Journal of Wildlife Management 47: 497-501.

Klein, D. R. and S. T. Olson. 1960. Natural mortality patterns of deer in southeast Alaska. Journal of Wildlife Management 24: 80-88.

Larsen, D. H. 1983. Habitats, movements, and foods of river otters in coastal southeast Alaska. M.S. Thesis. University of Alaska, Fairbanks, Alaska. 149 p.

Lebeda, C. S. and J. T. Ratti. 1983. Reproductive biology of Vancouver Canada geese on Admiralty Island, Alaska. Journal of Wildlife Management 47: 297-305.

Leopold, A. S. 1950. Deer in relation to plant successions. Journal of Forestry 48: 675-678.

MacArthur, R. H. and E. O. Wilson. 1967. The theory of island biogeography. Princeton University Press, Princeton, N.J. 203 p.

Mannan, R. W. and E. C. Meslow. 1984. Bird populations and vegetation characteristics in managed and old-growth forests, northeastern Oregon. Journal of Wildlife Management 48: 1219-1238.

Mannan, R. W., E. C. Meslow, and H. M. Wight. 1980. Use of snags by birds in Douglas-fir forests, western Oregon. Journal of Wildlife Management 44: 787-797.

Maser, C. and J. M. Trappe, eds. 1984. The seen and unseen world of the fallen tree. U.S. Forest Service General Report PNW-164, Pacific Northwest Forestry and Range Experiment Station, Corvallis, Oreg. 56 p.

McClelland, B. R. 1977. Relationships between hole-nesting birds, forest snags, and decay in western larch-Douglas-fir forests of the northern Rocky Mountains. Ph.D. Dissertation. University of Montana, Missoula, Mont. 495 p.

Meehan, W. R., T. R. Merrell, Jr., and T. A. Hanley, eds. 1984. Fish and wildlife relationships in old-growth forests: proceedings of a symposium held in Juneau, Alaska, 1982. American Institute of Fisheries Research Biologists. 425 p.

Noble, R. E. 1978. Breeding-bird populations in hemlock-spruce old-growth and clearcuts, Prince of Wales Island, Alaska. Technical Report on file at the U.S. Forest Service, Ketchikan, Alaska. 65 p.

Norse, E. A., K. L. Rosenbaum, D. S. Wilcove, B. A. Wilcox, W. H. Romme, D. W. Johnston, and M. L. Stout. 1986. Conserving biological diversity in our national forests. Ecological Society of America, prepared for the Wilderness Society. 116 p.

Peek, J. M., M. R. Pelton, H. D. Picton, J. W. Schoen, and P. Zager. 1987. Grizzly bear conservation and management: a review. Wildlife Society Bulletin 15: 160-169.

Raphael, M. G. 1980. Utilization of standing dead trees by breeding birds at Sagehen Creek, California. Ph.D. Dissertation. University of California, Berkeley, Calif. 195 p.

Raphael, M. G. and M. White. 1984. Use of snags by cavity-nesting birds in the Sierra Nevada. Wildlife Monographs 86. 66 p.

Rideout, D., E. S. Miyata, and E. Olson. 1984. A statistical profile of the timber supply base of the Tongass area in southeast Alaska. Final Report on file at the Dept. of Forest and Wood Science, Colorado State University, Fort Collins, Colo. 131 p.

Rose, C. L. 1984. Deer response to forest succession on Annette Island, southeast Alaska. Pp. 285-290 *in* W. R. Meehan, T. R. Merrell, Jr., and T. A. Hanley, eds., Proceedings of the symposium on fish and wildlife relationships in old-growth forests, Juneau, Alaska, 1982. American Institute of Fisheries Research Biologists.

Schoen, J. W. and M. D. Kirchhoff. 1982. Habitat use by mountain goats in southeast Alaska. Final Report, Alaska Dept. Fish and Game, Federal Aid in Wildlife Restoration Project W-21-2, Job 2.6R, Juneau, Alaska. 67 p.

Schoen, J. W., M. D. Kirchhoff, and M. H. Thomas. 1985. Seasonal distribution and habitat use by Sitka black-tailed deer in southeastern Alaska. Final Report Alaska Dept. Fish and Game, Federal Aid in Wildlife Restoration Project W-22-4, Job 2.6R, Juneau, Alaska. 44 p.

Schoen, J. W., M. D. Kirchhoff, and O. C. Wallmo. 1984. Sitka black-tailed deer/old-growth relationships in southeast Alaska: implications for management. Pp. 315-319 *in* W. R. Meehan, T. R. Merrell, Jr., and T. A. Hanley, eds., Proceedings of the symposium on fish and wildlife relationships in old-growth forests, Juneau, Alaska, 1982. American Institute of Fisheries Research Biologists. 425 p.

Schoen, J. W., S. D. Miller, and H. V. Reynolds, III. 1987. Last stronghold of the grizzly. Natural History 96(1): 50-61.

Schoen, J. W., O. C. Wallmo, and M. D. Kirchhoff. 1981. Wildlife-forest relationships: is a reevaluation of old growth necessary? Transactions of the North American Wildlife and Natural Resources Conference 46: 531-545.

Sidle, W. S. and L. H. Suring. 1986. Wildlife and fisheries habitat management notes — management indicator species of the national forest lands of Alaska. U.S. Forest Service Technical Publication R10-TP-2, Juneau, Alaska. 62 p.

Sigman, M. J. 1985. Impacts of clearcut logging on the fish and wildlife resources of southeast Alaska. Technical Report 85-3, on file Alaska Dept. Fish and Game, Juneau, Alaska. 95 p.

Smith, C. A. 1985. Habitat use by mountain goats in southeastern Alaska. Final Report Alaska Dept. Fish and Game, Federal Aid in Wildlife Restoration Project W-22-2, Job 12.4R, Juneau, Alaska. 110 p.

Society of American Foresters. 1984. Scheduling the harvest of old growth. Report of the SAF task force on scheduling the harvest of old-growth timber, Bethesda, Md. 44 p.

Thomas, J. W., L. F. Ruggiero, R. W. Mannan, J. W. Schoen, and R. A. Lancia. In press. Management and conservation of old-growth forests in the United States. Wildlife Society Bulletin.

U.S. Forest Service. 1978. Landtype/timber task force working report. TLMP-3. Alaska Reg., Juneau, Alaska. 449 p.

Wallmo, O. C. and J. W. Schoen, eds. 1979. Sitka black-tailed deer. Proceedings of a conference held in Juneau, Alaska. U.S. Forest Service, Alaska Region, Series R10-48. 231 p.

Wallmo, O. C. and J. W. Schoen. 1980. Response of deer to secondary forest succession in southeast Alaska. Forest Science 26: 448-462.

Wallmo, O. C. 1982. Managing forests to retain the wildlife habitat characteristics of old growth. Presented at a symposium and workshop entitled Old-growth forests: a balanced perspective. Bureau of Governmental Research and Service, University of Oregon, Eugene, Oreg. 5 p.

White, P. S. 1987. Natural disturbance, patch dynamics, and landscape pattern in natural areas. Natural Areas Journal 7(1): 14-22.

Wilcove, D. S. 1987. From fragmentation to extinction. Natural Areas Journal 7(1): 23-29.

Woolington, J. D. 1984. Habitat use and movements of river otters at Kelp Bay, Baranof Island, Alaska. M.S. Thesis. University of Alaska, Fairbanks, Alaska. 247 p.

Zarnowitz, J. E. and D. A. Manuwal. 1985. The effects of forest management on cavity-nesting birds in northwestern Washington. Journal of Wildlife Management 49: 255-263.

Senator WIRTH. Ms. Kautzer.

## STATEMENT OF JOAN KAUTZER, REPRESENTING ALASKA WOMEN IN TREES

Ms. KAUTZER. Welcome to the Tongass, thank you for your interest in my homeland and America's largest public forest.

My name is Joan Kautzer and I am a commercial fisherman and wildlife artist from Point Baker, Alaska. I am speaking in behalf of Alaska Women in Trees.

We formed our group because we could no longer stand silently by and watch as our national forests were mutilated beyond their condition or passively watch as hundreds of miles of new logging roads to nowhere dissect our wild islands each year. We strongly support S. 346 and feel the original intent of the Forest Service has gone haywire. Instead of protecting America's forests from being looted by large corporations they now act as timber brokers for the multi-nationals, moving to timber at the expense of the taxpayer, environment and all of the forest uses.

I can liken this management policy to selling great paintings for the value of the canvas; it is wrong and it must be stopped.

The only criteria for timber sales here is corporate economic feasibility. Under the constraints of the 50-year contracts and the 450 mandate we are experiencing one-time timber stripping, not forest management and Tongass public participation in forest planning consists of commenting on foregone conclusions, wading through reams of incomprehensible graphs and documents and studying EISs that always turn out the same findings, with no significant impact. The attempt is to placate us by allowing us to submit planning alternatives that are never chosen.

After voicing our concerns at a recent public meeting at Point Baker Forest Service, biologists admitted that deer habitat on the North Prince of Wales would "Be in shambles in the next 20 years", yet in the next breath the Forest Service showed residents jumbo clearcuts planned for the next ten years which would clearly impact habitat further.

While sound environmental policies are not a criteria in the Tongass Management scheme neither are sound economics. An example is a spectacular island that has abundant fish and wildlife. The Forest Service will spend four million taxpayer dollars to receive a meager return of $262,000 from the APC pulp mill per timber cut in 10 years but the APC was convicted of monopoly fraud and antitrust. There is no sustained yield or fiscal responsibility in a time of growing federal budget deficit. He said the 23 areas as priceless intrinsic environment are far outweighing the value of production but these 23 years has been brought to the attention of the Forest Service by different use groups as needing permanent protection, always to no avail.

We cannot affect this change at the local level, they told us so, TLMP will not do it. This 30 day Dead Eagle Sound and Lab Bay Dump will not fly again, the Tongass will not be the same if we do not protect these areas

Alaska Women in Trees supports S. 346 with permanent protection for the 23 areas.

I also brought some letters from 32 different people that support this.

Senator **WIRTH**. You give them to us and we will be sure that they are included in the record.

[The prepared statement of Ms. Kautzer follows:]

Testimony of Joan Kautzer
Representing Alaska Women in Trees
Before the U S Senate, Tongass Feild Hearing in Ketchikan, Alaska
April 24, 1989

Thank you for allowing my written testimony to be included in the hearing record for The Tongass Timber Reform Act, SB346.

My name is Joan Kautzer. I am a commercial fisherman and wildlife artist from Pt. Baker, Alaska on the northern tip of Prince of Wales Island. I would like to testify on behalf of Alaska Women in Trees.We are a group of Southeast residents dedicated to preserving the old growth forest in the Tongass. We come from varied economic backrounds and have members in Ketchikan, Kaufman Cove, Pt. Baker, Port Protection, Craig, Petersburg, Tenakee, Juneau, and Haines. We formed because no longer could we silently stand by as the National Forest is ~~deforested~~ MUTILATED BY CLEARCUTS at an annual rate of 20,000 acres, or passively watch as an annual 295 miles of new logging roads dissect our wild islands. We denounce the current management priorities that set timber harvest above and in conflict of all other forest uses. We strongly support SB346. We feel it is imparative to the future of the Tongass that the 23 areas named in the bill be granted permanant protection as Wilderness, or, at very least be permanantly removed from the timber base. As a world leader, the United States has taken a stand against cutting rain forests in South America and other global communities. Now it is time to save the very last temperate rain forest within our own borders. With more places becoming humanly altered, we are just beginning to understand the benefits of leaving natural ecosystems in tact.

When describing the trees in the Tongass the USFS repeatedly uses the words: decadent, rotting, and overmature. They attempt to conjure up a vision that says, "The resource is decaying before our eyes, all these trees are just wasting away on the stump," and "in order to have a healthy Forest we need all new trees." Nothing could be further from the truth. Old growth trees are the most optimum natural condition for a forest. It supports the healthiest habitat for fish and wildlife. It is a self perpetuating intricate system wherein every living organism is interdependent on trees at every stage of life and death.

Old growth forest is the nurturing foundation for the commercial fishing industry and the tourist industry. It hosts the crucial salmon producing watersheds and beautiful recreational areas. Unfortunately, the overharvesting of timber is undermining the supporting base of these two industries. The USFS has created a timber industry, bolstered by a false economy, which is jeperdizing all other forest uses. The entire premises for a second growth timber industry in the Tongass is purely hypathetical. With the supposed 100 to 150 year rotations, the Tongass is competing with pulp trees grown in 15 to 30 years in other parts of the U.S. So far second growth management has consisted of a mere 10% of all clearcuts receiving thinning. The remaining 90% is left waiting for costly management funds in a time of a growing federal budget deficet.

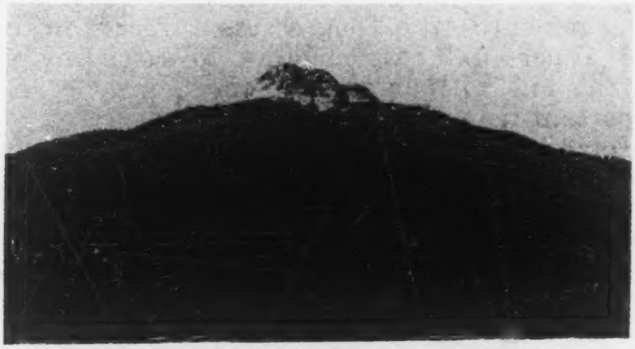
The second growth forest (alias "the healthy new trees") is decidedly unhealthy for wildlife. Fish, birds, deer, and bears suffer in this sterile altered enviroment. Sitka black tail deer, an indicator species for enviromental impact studies and a heavily relied on subsistance food, will suffer astounding losses. On the northern end of Prince of Wales Island, 79% of the federal lands are being clearcut, by the end of the first 100 year rotation an estimated 92% of the deer population will be lost. The Forest Service bioligist admitted at a recent meeting in Pt. Baker that deer habitat on N. Prince of Wales "would be in shambles in the next 20 years", yet in the next breath, the USFS showed residents jumbo new clearcuts planned for the next 10 years which would clearly impact habitat further. Such ironies plague the management of the Tongass.

While sound enviromental policies are not a criteria in the current Tongass management scheme neither are sound economics. East Kuiu, an area valued highly for it's fisheries resources, abondant wildlife, and waterfowl is in the APC contract area. In order to access timber for the meager stumpage return from APC of $262,060, the Forest Service proposed the building of 15 miles of road and a terminal transportation facility, with the price tag of 3.85 million taxpayer dollars. That's a loss to taxpayers of $3,587,940 to benefit APC. APC, a Tokyo based Japanese corporation was convicted in the 1980 Reid Bros. Case of driving small loggers out of business, monopoly, antitrust, and defrauding the goverment out of millions of dollars. In times of trillion dollar deficets, the USFS is exercising no fiscal restraint inthe Tongass. It is time the USFS becomes accountable for its expenditures and returns to the scrutiny of the congressional appropriations process.

In regards to the terminal transportation facility in No Name Bay and the 15 miles of road on E. Kuiu, the USFS held a public meeting in Pt. Bakerin Jan. of 1987, to supposedly allow residents to voice concerns. Despite the fact the comment period was still officially open, the USFS informed residents that they had already made up their minds to construct the facilities. So in fact, public input was being solicited as a technicality,and had no bearing on the decision making process. Under the rigid constraints of the 450 mandate and the 50 year contracts,this is a common occurance. There is no room for true public participation. Most public meetings with the Forest Service consist of the public frustrately voicing concerns, the USFS jotting them down then telling us that they must "get out the cut " and fulfill the contract sales so there isn't any leeway for change. USFS enviromental impact statements and enviromental assessments consistantly turn up the same findings: NO SIGNIFICANT IMPACT. All the while subsistance users, fishermen, and recreationalists can see that the impacts of the long term sale plans with their gigantic cutting units are destroying the forest. Over the years, each of the 23 areas has been repeatedly brought to the attention of the USFS on the local level, by the different user groups as crucially important to the welfare of our non-timber industries and fish and wildlife resources. Now, as time is closing in, we are asking Congress to protect these areas from being senselessly destroyed by a one time deficet logging operation which will benefit few and rob every American of one more wild place.

Too long have the preferential terms of the 50 year contracts dominated federal management policy in the Tongass. Too long have the wants of LPK, and the Japanese owned APC been funded by the Tongass Timber Supply Fund, promoting the currupt policy of private dominion over public lands. The overriding emphasis on short term timber harvesting is wasting millions of tax payer dollars and is hurting the self-sustaining fishing and tourist industries. The Tongass is in need of change and S346 is a step in the right direction. The current status quo is destroying the forest and only serious management reforms will correct the situation.

The members of Alaska Women in Trees believe that the Tongass is a magnificant American legacy and its rare beauty should be preserved for all generations thru the creation of more wilderness areas and a new balanced Forest Service directive.



Senator WIRTH. Mr. Weihing.

## STATEMENT OF WAYNE WEIHING, EMPLOYEE AT THE LP/KPC PULP MILL

Mr. WEIHING. Thank you, Senator. My name is Wayne Weihing, I have been employed at Ketchikan Pulp Mill for 21 years and I am here to voice my opposition to Senator Murkowski's bill for the following reasons:

I believe it is essential to have permanent protection for the vital areas to protect the fisheries, recreation and wildlife. The Forest Service has failed to implement the multiple-use concept on the Tongass. For example, there is very little, if any, trail maintenance for access to lakes and streams and some of the Forest Service cabins have been eliminated and remaining cabins are being maintained by volunteer workers.

I support Senator Wirth's bill because I believe that the changes necessary to protect the Tongass will never take place unless the automatic appropriation is repealed and the 50-year contracts are terminated and replaced with short-term contracts.

Now I do not intend for anyone to lose their jobs or put the industry out of business. My job is important to me as I am sure everyone whose job is related to the Tongass National Forest is important to them but I believe it is important and we just keep in mind that the National Forest belongs to everyone in the U.S.A., not the timber companies or the State of Alaska or any special group. Because it is a national forest each person has a stake in the Tongass, including myself.

I use the Karta River, the Naha River and Prince of Wales Island for hunting and fishing and recreation. To have the opportunity to use these areas is why I came to Alaska and I want to continue to live in southeast Alaska.

Legislative changes are necessary to finally bring responsible management to the Tongass. As a worker in the timber industry, I feel a personal responsibility to voice my support for Senator Wirth's bill, with an amendment to grant permanent protection for important fish and wildlife areas.

Ketchikan Pulp Company's callous exploitation of the natural Tongass is compounded by their callous exploitation of the work force. As pulp mill employees, we have had our wages cut and our medical benefits reduced and have been forced with the threat of termination to work under unsafe work conditions. I would like to retain my pride of workmanship and my personal dignity and I thank you for the opportunity to testify.

Senator WIRTH. Mr. Weihing, thank you very much. I respect enormously your coming this morning and testifying and realize that often the situation in which you are working at a workplace where people are advocating a totally different perspective and some probably accuse you of endangering their jobs and their lives with their wives and children—I appreciate your coming and I want you to know that yours is the perfect example of what freedom of beliefs and freedom of political beliefs should mean in this country.

I hope that in the process of doing this you do not come in for too much abuse and I am sure your superiors will respect your exercise of your rights as an American citizen, just as we do, and I hope that it is very clear to everybody how much yours is an exercise of the rights of being an American and we appreciate your being here and being as forthright as you are being.

Mr. WEIHING. Thank you, sir.

Senator WIRTH. Now Mr. Mehrkins is an economist and you have heard a discussion earlier made to the reason for the Tongass being treated differently and the fact that it was done so for the purpose of protecting the job base; now essentially that was one of the main things, going through the area of discussion. You were here at that point, were you not?

Mr. MEHRKINS. That is correct.

Senator WIRTH. Now, putting a different window on that, did that strategy for job protection work and will it work in the future?

Mr. MEHRKINS. Basically that was the blueprint that the Tongass Master Plan would have but what that failed to do was recognize that the thing that—chiefly wanted—the only thing that controls timber employment is man and the Pacific Rim countries, not regardless of how much money we want to throw at this problem and supply side will not be able to offset the supply and demand of those timber jobs. We had roughly about 2,200 Tongass dependent jobs in 1980; we spent somewhere in the neighborhood of $260 million in 1986 and still lost half those jobs or better.

Even today with the vast improvement that was still 40 percent below——

Senator WIRTH. Would you give me those numbers again, would you briefly?

Mr. MEHRKINS. I will give them to you exactly; it is in my testimony. Since 1980 we——

Senator WIRTH. You are saying we spent how much?

Mr. MEHRKINS. Based on Forest Service information—now let me correct this, there were 2,950 direct timber jobs in 1980, that is fiscal year 1980, and employment gradually fell to a low of 1,950 jobs in 1985 and increased to about 3,200 jobs in 1988. Now these for the total Tongass or total areawide employment.

Now the Tongass-dependent jobs are only a portion of these. In 1980 timber employment was estimated at 2,500 jobs and has declined about 25 percent to about 1,900 in fiscal 1988. I do not have fiscal 1989 figures; I do know that they are slightly higher.

Senator WIRTH. Those are direct jobs that declined from 2,500 to 1,900 in 1988?

Mr. MEHRKINS. From 1980, 2,500 Tongass related jobs declined now to 1,900 jobs.

Senator WIRTH. Tongass-dependent jobs are defined as what?

Mr. MEHRKINS. That would be jobs that would be tied back to timber, that comes off the forest lands versus other supplies.

Senator WIRTH. Those are direct jobs?

Mr. MEHRKINS. Those are direct jobs.

Senator WIRTH. Now what was that, 2,950 in 1950 to 3,200 that you had earlier?

Mr. **Mehrkins**. Those are jobs that would reflect the entire industry, not only Tongass dependent but private logging. Private logging has rapidly increased so that——

Senator **Wirth**. So the relevant jobs in the Tongass was subject—was that right?

Mr. **Mehrkins**. Yes, yes.

Senator **Wirth**. The 2,500 jobs was 1,900. Is there any debate about that set of numbers?

Mr. **Mehrkins**. These were taken from Forest Service Timber—Supply and Demand Reports are also based on State of Alaska Department of Labor——

Senator **Wirth**. And how much was spent since 1980?

Mr. **Mehrkins**. Basing the GEO Report which covers from 1981 to 1985, something like that, 256 million or 257 million and now there has been considerable spending since then of course, and of that 256 million, the GAO found literally half, about 131 not necessarily to be spent because the timber demand was so low and that fact, 131 million, that was spent by maintaining jobs had failed. They could not offset the decline of jobs or the decline of demand.

Senator **Wirth**. Now $380 million and 1,900 jobs were involved. How much per job is that?

Mr. **Mehrkins**. I would work out the numbers but in the past the subsidy has been somewhere in the neighborhood of about $35,000 per job per year.

Senator **Wirth**. That is pretty good.

Mr. **Mehrkins**. It would depend on which side of the equation you are looking at.

Senator **Wirth**. Is there any debate about that figure, that $35,000 per job per year subsidized by the Federal Government?

Mr. **Mehrkins**. The debate centers on what you heard today. It is a debate about wilderness or debate about government spending or the debate about the timber programs; too many things they would like to clarify here.

In 1985 I led a team of Forest Service—a Disciplinary Planning Team, and prepared 706(b) status report, that is the status of the Tongass National Forest which required in those draft reports at the conclusion of my team was that there was no effect of wilderness on a Tongass timber-dependent job levels. That had even been published in several public drafts. It was then subsequently edited out at the Secretary of Agriculture's office but that was the determination of that team.

Secondly, we are talking about the fact that we needed this money as part of this deal to invest in marginal timber, since we had done exactly what TLMP had requested us and actually invested in marginal timber—our average harvest yield per acre should have been about 26,000 board foot per acre. That did not happen, in fact it was substantially higher than that and basically followed historic trends about 40,000 to 42,000 foot per acre and frankly what that says to me that we spent the money and the money was used to build roads and so forth, and maintain the facilities and whatever but that money was spent in the better timber stands, not the marginal timber stands, so that is also fair.

Senator **Wirth**. Is that high grade?

Mr. **MEHRKINS**. That is about the—that is the best example of high grading you can think of.

Senator **WIRTH**. Thank you very much.

Mr. Murkowski.

Senator **MURKOWSKI**. Thank you, Senator. I think it is appropriate to note that the figures used present figures prior to the stumpage, is that correct?

Mr. **MEHRKINS**. I just do not understand your question.

Senator **MURKOWSKI**. You are basing your generation of—over a lengthy period of about $40 million as federal assistance to the forest year which is somewhere in the area of $323–350 million the rate used, is that right?

Mr. **MEHRKINS**. That is right.

Senator **MURKOWSKI**. That's based on—I know that you are referring to the Federal Government based on stumage figures prevailing in the market place during that period of time, is that not correct?

Mr. **MEHRKINS**. Several ways that it reported, basically that is correct.

Senator **MURKOWSKI**. Did that take into consideration current stumpage as one gentleman said, that has risen from two to three dollars up to $68 or thereabouts.

Mr. **MEHRKINS**. That is not correct. It does take into account revenues that are considered to be federal stumpage receipts.

Senator **MURKOWSKI**. And what about?

Mr. **MEHRKINS**. I do not have it in front of me but I can give you year by year——

Senator **MURKOWSKI**. But what concerns me is, I think that we have to recognize that we are going to take current stumpage, going to see a positive return of the forest.

Mr. **MEHRKINS**. I would disagree with that entirely.

Senator **MURKOWSKI**. Well the Forest Service is always giving us the figures and there is a positive return on the issue.

Mr. **MEHRKINS**. Could I explain how you get that?

Senator **MURKOWSKI**. It is based on the return on—as a consequence of the increased stumpage, and if you return to the Borough, the State and the Borough and the Federal Government as well.

Mr. **MEHRKINS**. There is a major factor that is far more significant that the increase in stumpage and that has not been implemented yet but is ready to be implemented, as I understand it.

Basically what you do is you take the cost of the roads as built by purchase or credits, which is a form of trading for roads and you include as a benefit on the benefit side all of those costs as if that were a benefit on the cost side. You only deduct from those values less than one percent of the costs, so that is why we have these figures showing positive return when in fact they are highly negative in any kind of economic analysis, a fair economic analysis, I could come across.

Senator **WIRTH**. It is my understanding that both the GAO and the Forest Service have agreed on the accounting process?

Mr. **MEHRKINS**. They are in the process of reading that.

Senator **MURKOWSKI**. No, it has been agreed upon.

Mr. **Mehrkins**. There are questions about the costs that I am talking about as being the fact that these roads under the system would be amortized over a period of about 250 years when the useful life would be only 30. Now GAO has recognized the fact that that is a problem and that is kind of like trying to build Washington, but not amortizing the cost today and recognition of those problems to GAO is in the Forest Service. I might add, having looked at the costs, the polling techniques used to—have led us to believe that they are speaking from.

Senator **Murkowski**. Well I would be happy to share with you the information that I have if we could pursue it.

Mr. Chairman, I'd like to introduce for the record the Employment Summary of the Southeast Timber Industry in 1988 from the Department of Labor showing the logging, 2,064 jobs, 501 in sawmills, 182 in pulp for Department of Labor total of 3,447, a 17 percent increase over 1987, plus additional direct jobs not included in the Department of Labor's total for the 3,447. These include 296 Longshoring, 95 towing, 150 road construction, 435 in Forest Service. This bring according to the Department of Labor 4,423 direct jobs and I would ask that that be entered into the record as well as the 1988 Fiscal Year Production Figures for the Regional Office of the U.S. Forest Service and I seem to be getting a lot of information at Sitka and it is U.S. Forest Service figures, Fiscal 1988, Harvests and Imports from Southeastern Alaska follows for the year.

Thank you, Mr. Chairman.

Senator **Wirth**. Mr. Burns.

Senator **Burns**. I just have a couple of questions to clarify.

I guess, Mr. Mehrkins, I would ask you do you know of any legislation that requires the Forest Service to profit on the sale of timber?

Mr. **Mehrkins**. No, at the same time the Forest Service under the principle of trying to maximize the benefits, the net benefits to all people would have to consider providing positive economic benefits across the board in a multiple-use sense. In other words no, there is no mandate to make a profit but there is no mandate to lose money either, and come up with the greatest positive benefit—set of benefits possible.

Senator **Burns**. Using that analysis would you want the Forest Service to also take the same approach with recreation and the Fish and Wildlife Programs?

Mr. **Mehrkins**. I believe that there never has to be—well, I do support that. That is the organization I speak for. We believe that these resources should be put forth in an economically sound manner that is physically responsible, that is going to help to strengthen the economies. I guess that's the long answer, sir, to your question.

Senator **Burns**. Mr. Kirchhoff, I was interested in your testimony, I just wonder if you would tell us what is the effect on population of bald eagles since timber harvesting began in earnest in the 1960s.

Mr. **Kirchhoff**. I can address that with respect to deer but I am not able to talk about bear.

Senator **Burns**. Well what about since the 1960s?

Mr. KIRCHHOFF. Well, it is hard to get a single answer. In McDuff Islands and Central Park or the Kuiu Islands, it is closed season; there is no hunting and in the Mystic Fjord area, Baranoff and Chichagof Islands there is a six-deer bag limit and in the southern part there is a two-deer bag limit and that it varies a little bit along the mainland so we have seen just—I think what you are getting at to come up with transient population over the time. We had high numbers of deer in the 1950s, we had a series of very difficult winters in the 1960s, early 1970s and the population crashed across the area, the population has responded and the last 20 years the northern part or portion of the—in the southeast we have had relatively high deer figures. It has been much lower in the southern southeast. Current high numbers of deer are largely through the wildlife that we passed since the 1970s. We have been doing some more surveys this spring and found the highest mortality since those early 1970s reports on the Chichagof Islands, we have had a fairly hard winter this year in the southeast.

Senator WIRTH. Thank you.

I want to commend this panel.

Senator MURKOWSKI. I wonder, Mr. Kirchhoff, if you would explain to me, if there is any principal logging on Kuiu Island?

Mr. KIRCHHOFF. There is logging on Kuiu Island.

Senator MURKOWSKI. How long has this been in relationship to the proposal to initiate the plan, the ALT, and initiate a bigger program that has been objected to. Are you familiar with that?

Mr. KIRCHHOFF. Perhaps—well, I am very familiar with Kuiu Island, the areas that have been logged but in the APC five-year plan, a substantial portion of their volume comes off.

Senator WIRTH. It is supposed to come off North Kuiu?

Mr. KIRCHHOFF. Yes.

Senator MURKOWSKI. Can you explain the difference in the deer population at Kuiu Islands, Ornaski or with Admiralty, Chichagof and Baranoff as unique?

Mr. KIRCHHOFF. With islands north of Frederick Sound——

Senator MURKOWSKI. You do not have wolves?

How would you deal with the wolf take in a week?

Mr. KIRCHHOFF. I really do not know.

Senator MURKOWSKI. As a game ball, you do not know that?

Mr. KIRCHHOFF. Well I think we worked into models about ten pounds of deer per wolf per day.

Senator MURKOWSKI. Ten pounds of deer per wolf per day and there are no deer on Admiralty, Baranoff and Chichagof?

Mr. KIRCHHOFF. Excuse me, no, there are no wolves.

Senator MURKOWSKI. What is the limit there for hunting? Fish and Game sets a limit?

Mr. KIRCHHOFF. It is six deer for most of that.

Senator MURKOWSKI. What about Kuiu?

Mr. KIRCHHOFF. The season is closed there.

Senator MURKOWSKI. Can you give us any explanation; now Kuiu is right across from Baranoff, this is where six deer are—this has got some population base on Kuiu—would it have any town of any consequence?

Mr. KIRCHHOFF. Well I think the predator is probably responsible for that.

Senator **MURKOWSKI**. For the predator take in your testimony, was that the wolf predators or the deer population which obviously is fairly significant?

Mr. **KIRCHHOFF**. That is correct.

Senator **MURKOWSKI**. Is there any relation, any reason why this reluctance in the Department of Fish and Game and I know you are not speaking for them but I continually had opportunities to meet with people from our State Fish and Game for some reason and they always seem to leave out the wolf predator and I really do not know why.

Mr. **KIRCHHOFF**. Well, we are concerned about the low level of deer in those areas. We have a research project for three years.

Senator **WIRTH**. Mr. Mehrkins, do you have any predator control?

Mr. **KIRCHHOFF**. No.

Senator **MURKOWSKI**. Did you use to have predator control in Southeast Alaska?

Mr. **KIRCHHOFF**. I believe there was.

Senator **MURKOWSKI**. And now there is not any more? We can have that straightened out today. I think it's important that we relate to game policies and we look at all pertinent factors and certainly the wolf is a pertinent factor; indeed as you say, one will take ten pounds of deer a day and I do not think any one of us knows how many wolves there are and that is pretty fast, particularly if you get a tough winter and get winter kill or deep snow, we all know the realities of that. Now I would liked to ask the panel one general question, is there generally an agreement that in fact there is within the make-up of the forest as we see it today 1.7 million acres that have been set aside in perpetuity in wilderness, virgin timber, was selected at the recommendation of the environmental groups in 1980, according to their priorities. This is when we basically created the wilderness. It is the agreement that the 1.7 million acres of commercial timber that was put into wilderness at the recommendation specifically of national environmental groups who had input in it, would actually agree with that premise?

Mr. **MEHRKINS**. I disagree.

Senator **WIRTH**. Would you perhaps say it is not 1.7 million acres of commercial timber that is in wilderness?

Mr. **MEHRKINS**. It is commercial timber that is a misnomer. First off if you go back to the definition all it says is that to be commercially qualified as commercial timber it has to meet a certain minimum growth rate and that particular chunk of ground may be up on a mountainside and slide into Salmon Creek and would not be harvested or is not technically feasible to be harvested or may not be economic but they still call it commercial timberland.

Now when you put in all these other screens like operability, economic and the amount of commercial timber that is in wilderness that defaults often the 1.7 that you are citing to literally like 200,000 or down to 80,000.

Senator **MURKOWSKI**. I think what we ought to do is quiz the Forest Service a little better because those are the figures that they have provided us and they say that is commercial timber that has been put into wilderness, an area the size of New Hampshire, 1.7 million acres of commercial forest land is in wilderness. I would also ask the panel if they are generally in agreement that two million acres are closed to logging, currently this 2 million of the 5.4 million acres of land, forest land. In the Tongass, those two million acres are in fact closed to logging for ten years under the TLMP Fish and Wildlife and other considerations? Can you in consideration—give a consideration to TLMP Plan? Can anybody here?

Mr. KIRCHHOFF. May I speak to you a little—give a little historical fact on this?

Senator MURKOWSKI. Anybody care to comment on this?

Mr. MEHRKINS. I would like to make a comment that indeed it has been deferred for a ten year period and a comment that concerned me today, that it was mentioned that we could maintain that 4.5 billion board feet if no more land was—which we have also taken into account but I think that means, and I am not sure, I'm not qualified for that, is that to come up with that 4.5 billion that is all the existing land timber base, you would have to drop into the timber base—I know the figures and "Led-to's" and those lands will have to be tapped if that 4.5 billion timber supply mandate is continued.

Senator MURKOWSKI. Well, that is obviously part of the TLMP and I think it is important that all Alaskans recognize the acres of commercial forest in the Tongass, 5.4 million acres currently, commercial forests 1.7 million acres are in wilderness permanently locked up as old-growth timber, two million acres are closed to logging for ten years by TLMP for fish and wildlife and other considerations and at least 1.7 million acres scheduled for timber harvest over 100 years and that is what we are talking about canceling at this time or dramatically changing.

Senator WIRTH. There appears to be some debate about these numbers, is that right?

Senator MURKOWSKI. These are Forest Service numbers, I do not think there should be any debate.

Senator WIRTH. But I gather from your response that there is some debate about the 1.7 million acres that is closed due to wilderness and you are saying well there are not really commercial but there are gradations of commercial and maybe you can provide to us what you mean by that.

The public—well, you talked earlier about 30,000 board feet per acre if I remember and a lot of this falls below that 30,000, and 30,000 is not commercially viable. We can all go spinning around like crazy with statistics I am sure and we do it on a steady basis. Maybe you can give us some more statistics that will show a little bit more about what is going on.

Senator MURKOWSKI. I think we have to recognize, we have to have some basis for saying the Forest Service is right or wrong. I am just saying that is all we have, I would be interested in knowing what Mr. Mehrkins' figures are that he uses for commercial forests within the Tongass. What figure do you use?

Mr. MEHRKINS. You asked me this question in 1987 when I testified before this Committee and I believe I answered it then, 80,000 acres is as prime stock if I remember right, there is 180,000 acres, 30,000 board foot an acre in the above.

Now I would like to leave myself open to correct that.

Senator Wirth. We can leave the record open for that. We will ask the Forest Service as well. It has been my understanding that it was not 1.7 million acres of commercially viable timber that had been set aside as wilderness but rather more like 150,000 to 300,000 acres that was; just that amount has been set aside as wilderness and that is because the definition of what is viable is different than the definition that used by some—well Senator Murkowski knows a lot more about it than I do.

Senator Murkowski. Well, you have to be careful with these figures because if you say that there is 80,000 acres of wilderness and how much is in the whole forest, commercial grade of timber?

Mr. Mehrkins. That is a good point. In fact there was a misnomer about the whole idea of commercial forest land and why we had a failure to try to invest marginal timberlands.

Senator Wirth. We will leave this open for the record and we will also contact the Forest Service to make sure that we get their definition and their numbers. You had a lot of experience in this, didn't you; you worked for the Forest Service for awhile?

Mr. Mehrkins. I worked 15 years, 17 years with the Forest Service and up in the Alaska Region since 1975.

Senator Wirth. Senator Murkowski, without guessing, we cannot get any more unless we have some base to agree upon or at least know where the differences are right now and I have a little feeling of a greased pig, you squeeze it and it squeals off and then you grab it again and it squeals off over there, to the auctioneer.

Senator Burns. I have a couple of questions that come to mind. This wolf thing intrigues me. I want to ask you, is this the same critter that they want to introduce back into the Yellowstone Ecosystem in Montana? [General laughter.]

Mr. Kirchhoff. It is a different sub-species I believe.

Senator Wirth. That is all for my bill. [General laughter.]

Senator Burns. I just wondered if I could offer a suggestion to the Senator from Colorado, if he could make the initial introduction maybe into the State of Vermont or Massachusetts and we will see how it works there before we try it in Montana.

Senator Wirth. Maybe by having them that would bring the tourists to Massachusetts and that would offset the Dukakis' budget deficit.

Senator Burns. Well, he needs it bad enough. The debate has started to heat up down there amongst stockmen as you well know, and I could tell you a little story about the Airedale dogs on Kodiak Island, but I will not bore you with that.

I have heard a lot of questions of second growth or regrowth or regeneration—what scientific basis do you have for your contention that second growth or regrowth timber is of inferior value for wood products and fish and wildlife habitat and recreation use? We know it goes through stages and what I have been listening to here is that basically we are talking about the harvest of a renewable resource, is that correct?

Mr. Kirchhoff. It is renewable as a wood fibre but not in the sense of the regular characteristics of those stands. The characteristics of second growth cedar is very much different than the old growth stands that they replace.

Senator **Burns**. When you look at that poster can you tell me what the state of that forest was 6,000 years ago?

Mr. **Kirchhoff**. When you look at what forest?

Well, it looks very much today like it did 6,000 years ago, it is just in a state of self-perpetuating forest. The individual changes and forest changes on a very fine scale acre to acre will change but over all it stays in its original state.

Senator **Burns**. If we change our management of harvest to selective cut, rather than clearcut, would that solve part of the problem?

Mr. **Kirchhoff**. Yes, it would.

Senator **Wirth**. Thank you all very much. We really appreciate your being here.

The record will, as we pointed out, remain open for any further statistics you want to provide to thoroughly confuse us or to help us.

Thank you all very much for being here.

We are going to attempt now to—we are running if you can believe it or not, or believe it, eight minutes ahead of schedule and that is going to stop however, we are going to move right in to the individuals who through the lottery are going to testify.

Let me now move my—to remind Senator Murkowski and Senator Burns how we were set up for this part of the hearing. We have a witness list outside. All individuals on the witness list should, if they will, take seats in the section down here on the left. I am going to call up to the witness table individuals one at a time in the order that they appear on the witness list and then the next group should take the seats behind those at the witness table and that, as we have done in the panels will have a group that is actively at the plate and a group that is on deck.

Bring all copies of your written statement with you when you come up and we will collect them and distribute them appropriately.

Each individual should limit his or her testimony to two minutes and keep your eye on the timer.

We now call up the first twelve witnesses, the order in which they appear and ask the first six to come up here and the second six to take the chairs behind the list.

Mr. Earl Cook, Mr. Bill Hoff, Mr. Greg Riffe, Mr. Boyd Roberts, Mr. Fred Watkins and Mr. Abe Zimmerman, if you would all please join us, move right in as it is appropriate. Why don't you start right there and as the second six would come up and take the seats behind, Peggy Garrison, Nancy Watt, Walter Begalka and Kent Funk and Jim Bruce and Ed Prefontaine.

Everybody has been told about this and we are going to move right through and if people are not here I am afraid they are just not going to be here. That is too bad.

Gentlemen, we thank you very much for being here. Mr. Cook, I guess you are here, is that right? We will start with Mr. Cook and run the timer for two minutes and please introduce yourself and let the panel know what it is you do for a living.

Mr. Cook, you are on.

Pull the microphone right up close to you.

Mr. **Cook**. Well, I would like to ask Mr. Wirth, how do you get where you are at and where I am at one step at a time? Keep that in mind while I say what I have to say.

## STATEMENT OF EARL COOK

Mr. **Cook**. My name is Earl Cook, I live and work in Southeast Alaska.

If you close the Tongass for harvesting you are depriving me and thousands of others of our homes and our jobs and I cannot believe that people like you could be so insensitive as to devastate the economy of an entire region.

Would you like it if people were going to take your job and home away from you? I do not think you would.

All the people here in southeast want this to be left alone so we can work and live the way we feel and if you close the Tongass you are taking away my constitutional right to live and work where I choose, and in closing, all I have got to say is I do not like it and leave me alone and let me work.

Senator **Wirth**. Thank you, Mr. Cook. [Applause]

Again, the Chair will remind our friends in the audience that they again are here as guests of the United States Senators, we are happy to have you here to observe and there are some times that the political process may look a little bit like the Johnny Carson Show. This is not intended to be so.

Mr. **Cook**. You want my shirt?

[Witness removes his shirt.]

Mr. **Cook**. I will keep my hat but you can have my shirt.

Senator **Wirth**. Thank you very much. [General applause.]

O.K., Mr. Riffe.

## STATEMENT OF GREG RIFFE

Mr. **Riffe**. My name is Greg Riffe and I drive a log truck.

I came here to tell you that this is—what this means to me and my family if the logging is shut down.

I was born in Alaska and my dad and grandfather were and are in the logging industry, so I was born into logging. My family—I do not know anything but logging. My roots are here in southeast and I just do not know what I would do for a living if I had to leave here. I do not want to leave here.

Will the government provide me and my co-workers with jobs and training for industrial jobs?

So what it all boils down to is what is more important, people or wilderness? Why cannot we keep both?

Thank you.

Senator **Wirth**. Thank you, Mr. Riffe.

Mr. Roberts or Mr. Watkins.

## STATEMENT OF FRED WATKINS

Mr. **Watkins**. My name is Fred Watkins, I live and work in Labouchere Bay. I am a log truck driver and I live and work in Labouchere Bay.

If I lose my job because of this bill I would have to sell my home and try to find another job, move to another state and start over in a different area. I have worked on this job for about five years now. This happened to me about five years ago because of a similar situation and I did not like being unemployed and looking for work to support my family. If this bill is passed it would be devastating, not only to me and my family, but to the economy of the entire State of Alaska. Let us keep our jobs and support the state.

Thank you for listening.

Senator WIRTH. Thank you very much Mr. Watkins.

Mr. Zimmerman.

## STATEMENT OF ABE ZIMMERMAN

Mr. ZIMMERMAN. There was something I wanted to address, a comment that you made earlier, I believe, that your bill does not necessarily say that it wants the industry to be shut down. It does not say it would not and I just thought I would bring that to light first.

Possibly I have a self-serving mentality, like people with opposing views, but I am not trying to destroy industry that has proved itself beneficial in many aspects thus depriving many families of their livelihood and the homes that they have come to enjoy. We live in this area by choice and not out of necessity and the thought of relocation to somewhere else is not very appealing to most of us.

If what we are talking about does pass, I feel we will be taking a giant step backwards; useful productive citizens being forced into an already overcrowded job market with all the attending major inconveniences involved does not seem like progress. Relocation and retraining does not appear very attractive when there are so few industries where a future exists for peoples' careers as solid as the future should be in the lumber and pulp industry.

We need to remember that what we may like may not be what is the best for the environment, which I believe is the point in question.

Ladies and gentlemen, we are working with a program where people, wildlife and the forest itself can all live together and all benefit. We are in a remote area where there is virtually no unemployment or any need for welfare programs under the current legislation. We are proud of being able to contribute our share and hope we will be able to continue to do so.

If we are forced out, the impact on the area would be devastating. I cannot believe that the fishing and tourism industries can support our area without the help of the wood products industry.

Thanks for taking the time to listen to us.

Senator WIRTH. Thank you very much, and we thank all four of you.

I think your testimony summed it up just right, Mr. Zimmerman when you said that you are working for a program where people, wildlife and the forest itself can all live together and all benefit. That is the balance we are searching for and I think that as you pointed out as well, Mr. Zimmerman, there is nothing in either piece of legislation that says that the industry would shut down. Now there is nothing in either piece of legislation that—or anywhere that says that industry will stay open. What we are after is a balance between all of these competing demands and that after all is the job that we are electing to try to find.

I greatly appreciate your being with us and Mr. Cook, I greatly appreciate your gift of the shirt.

Senator MURKOWSKI. I want to thank the panels as well. We did not come here to take the shirts off your back and I think we ought to give the gentleman back his shirt.

Mr. COOK. I do not want it, keep it.

Senator WIRTH. Thank you, thank you anyway.

If we might have Peggy Garrison, Nancy Watt, Walt Begalka, Ken Funk, Jim Bruce and Ed Prefontaine. Next will be John Blubaum, Roger Arriola, David Bray, Steve Connelly, Brad Finney and Robert Elliot.

We will start with Ms. Garrison.

## STATEMENT OF PEGGY GARRISON

Ms. GARRISON. I am Peggy Garrison and I am just one of more than a thousand, many thousand people whose livelihood depends on the timber industry in southeast Alaska.

I have lived in the Tongass National Forest for more than nine years, this is where my husband and I have raised our children and where we work, where we recreate, where we have bought land and where we hope to retire. The Tongass National Forest is our home.

The timber industry offers us the security of permanent personal economic stability. This in turn allows us to maintain a life style of our choice which is directly related to the scenic beauty and recreational opportunities available in the Tongass National Forest and southeast Alaska.

I sincerely believe that the passage of Senator Wirth's Bill 346 will have the same economic consequence to thousands of people living and working in southeast Alaska as the Valdez oil spill has had on the economic base of Prince William Sound, with one obvious difference—there will be no Exxon funds available to help make up the lost paychecks in the Tongass.

Perhaps the loss of jobs for thousands of Alaskans and the resulting economic turmoil forced upon hundreds of families is of little consequence to people from New York or Colorado. It is, however, of utmost importance to those of us that depend on the Forest Service and the 50-year contract to maintain a viable and stable timber industry in southeast Alaska.

I would dare to hope that any elected official who has the opportunity to vote on the Wirth Bill or any similar bill now or in the future will take a long, hard look at what the economic consequences may be to the people most affected, the people who live and work in the Tongass.

We do not need more wilderness simply for the sake of wilderness. We do need however the continuing opportunity to earn an honest living from a renewable resource, timber.

Senator WIRTH. Thank you, Ms. Garrison.

Ms. Watt is not here I gather.

Mr. Begalka?

## STATEMENT OF WALTER J. BEGALKA, MEMBER, ALASKA SOCIETY OF AMERICAN FORESTERS

Mr. BEGALKA. Mr. Chairman and members of the subcommittee, my name is Walter Begalka. I am a member of the Alaska Society of American Foresters, who provides 234 professional foresters throughout the state employed as private consultants, educators, researchers and administrators.

The issues that these bills deal with will have devastating reactions. As members of the forest profession we do not advocate one use over the other, however we believe that the professional, qualified through their profession and education enables him to—well the Alaska SAF recommends that Congress take no further action on the Tongass legislation until completion of the revised Tongass Land Management Plan, which is scheduled for completion by December of this year.

The Alaska SAF, as well as our parent National Society, has recommended that the Forest Service develop specific land management planning alternatives and independent of existing 1980 criteria. This allows the land-use planning process to work more effectively by enabling the Forest Service to look beyond the current program and land-use mandates set by Congress.

The TLMP revision will provide Congress with improved information regarding the resource capabilities of the Tongass National Forest. Through this process it is possible to assure a balanced approach to the management of the Tongass and to maintain the community stability of southeast Alaska.

The Alaska SAF believes the existing land management planning process is the most appropriate vehicle for making changes in special provisions for——

Senator WIRTH. I will have to move you in the interest of getting to everybody else. Thank you and your statement will be included and put in the record.

Thank you very much.

[The prepared statement of Mr. Begalka follows:]

STATEMENT OF
WALTER J. BEGALKA
MEMBER, ALASKA
SOCIETY OF AMERICAN FORESTERS
BEFORE THE
SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS, AND FORESTS
COMMITTEE ON ENERGY AND NATURAL RESOURCES
U.S. SENATE
ON
S. 237 AND S. 346 REGARDING
THE TONGASS NATIONAL FOREST

APRIL 24, 1989

Mr. Chairman and members of the Subcommittee, my name is Walter J. Begalka. I am a member of the Alaska Society of American Foresters, known also as SAF. The Alaska SAF is comprised of 234 professional foresters throughout the state employed as private consultants, educators, researchers and administrators with the Federal and State governments as well as private industry. The Alaska SAF wishes to thank the members of the subcommittee for your continued interest in the management of the Tongass National Forest.

As you are well aware, the issues the proposed legislation seeks to address are complex, encompassing biological, social and economic impacts of anticipated management actions. As the Alaska SAF membership represents all segments of the forestry profession, we do not advocate one use over another. However, we strongly believe that the profession is qualified through the education and experience of its members to identify the costs and benefits of various land-management alternatives. For these reasons the Alaska SAF recommends that Congress take no further action on Tongass legislation until completion of the revised Tongass Land Management Plan, which is scheduled for completion by December of this year.

The Alaska SAF, as well as our parent National Society, has recommended that the Forest Service develop specific landmanagement planning alternatives independent of existing Alaska National Interest Lands Conservation Act 1980 criteria. This allows the land-use planning process to work more effectively by enabling the Forest Service to look beyond the current program and land-use mandates set by Congress.

The Tongass Land Management Plan Revision will provide Congress with improved information regarding the resource capabilities of the Tongass National Forest. Through this process it is possible to assure a balanced approach to the management of the Tongass and to maintain the community stability of southeast Alaska.

The Alaska SAF believes the existing land-management planning process is the most appropriate vehicle for making changes in special provisions for the Tongass. We are especially concerned that any legislation that interferes with this process would have negative implications for professional land management throughout the Nation. In addition, the Alaska SAF feels the Forest Services public involvement programs provide an adequate vehicle for incorporating public opinion. The integrity of forest planning is at stake.

The Alaska SAF encourages the development of management alternatives both with and without the constraints imposed by the Alaska National Interest Lands Conservation Act. If Congress deems it appropriate, changes to ANILCA can be made after the revised plan is completed.

Thank you for this opportunity to express the views of the Alaska SAF.

Senator **Wirth**. Mr. Funk.

### STATEMENT OF KENT FUNK

Mr. **Funk**. My name is Kent Funk. My wife Sherry and I are Ketchikan residents and just recently purchased a home north of town. I am employed as a machinery salesman for McDonald Industries.

McDonald Industries' main office is in Seattle and we operate out of seven branches in Oregon, Washington and Alaska. The Ketchikan Office, one of three in Alaska, was recently expanded. We constantly have managerial and service personnel traveling from Seattle throughout southeast Alaska. We spend a great deal of money on air travel, motels, restaurants and car rentals.

Company-wide, 52 per cent of our business is dependent on the logging industry. Thus far in the Ketchikan Branch 100 percent of our business is dependent on logging operations in the Tongass National Forest, from Ketchikan to Haines, including Prince of Wales Island. At the present time we have over $6 million in company-owned equipment operating in the Tongass. This generates revenue for marine transportation, fuel companies, ferry systems and the air taxi services.

Should the timber harvest quota be reduced it would directly and quickly force a reduction in our presence and efforts in the Tongass, not only reducing our volume of business but also our funds spent in the regional economy. We would like to see the harvest levels remain as they are.

I enjoy hunting and fishing in my spare time. My only concern personally about the management of the Tongass is to ensure the enhancement of our fisheries through proper logging practices.

Senator **Wirth**. You came to the magic moment, thank you very much.

Mr. Bruce.

### STATEMENT OF JIM BRUCE

Mr. **Bruce**. I am Jim Bruce. I will skip through the first three paragraphs that you have and Senator, I would ask that that Economic Analysis of the Ketchikan Economy be entered into the record. I did not prepare it; it was prepared at the local university.

Senator **Wirth**. It will be available to the Committee, thank you.

Mr. **Bruce**. I support the Southeast Conference's Policy Statement with what I consider improvements. First, Provision in law should now be made for long-term contract to be extended for another 50 years, thereby long-term planning can be continued by industry with assurance that its needs for change and expansion till be met and second, neither the legislation nor the long-term contracts should be written in such absolute language as we now use. More leeway must be given the Forest Service to engage in constant dialogue with the industry, local officials and the public based on general statutory I guidelines.

My study in Japan last year taught me that we are not now and will not compete with the Japanese way of doing business unless you who govern make long term peace with industry, with worker, with native, with environment and with the locals. Thank you.

Senator WIRTH. Thank you very much, Mr. Bruce.

Senator Burns wanted to know if you are still acquainted with Hank Brennan.

Mr. BRUCE. Well, Hank Brennan and I were friends.

[The prepared statement of Mr. Bruce follows:]

Welcome! I am Jim Bruce. [P.O. Box 7258, Ketchikan, Alaska
99901, Telephone (907) 225-9525]

I'm a third generation Coloradian--descended from homesteaders, raised on the side of Pikes Peak and having B.S. and Juris Doctorate degrees from the University of Colorado--but transplanted to Ketchikan in 1964. My children are lucky enough to have been born in Ketchikan and our oldest son has the name "Denali" after our tallest mountain, which some people outside mistakenly call Mount McKinley.

My position on the legislation before us is dictated by my experience growing up. On the one hand I love the out-of-doors. My grandmother once chained herself to a Colorado Spruce Tree to keep the City of Colorado Springs from cutting it down to widen a street. She succeeded. My heritage teaches that our most precious art work is natural.

On the other hand in high school I made up my mind that I would live where there was some industry to go with my more ascetic side seeking a cabin up a mountain. Only tourism supported my little mountain town. People came to see picturesque scenery, not to assist my parents materially. It was obvious then, as it is now, that the price of living well required industrial productivity in my community. Even today with hundreds of thousands of visitors to Ketchikan in the summer, only 5% of the local personal income comes from tourism1/. Never-the-less, our diverse economy here including forest products has afforded my children the means to live in the best spot in this world.

Therefore, I support the Southeast Conference's Policy Statement, with these improvements: (1) Provision in law should now be made for the long term contract to be extended for another 50 year term. Thereby, long term planning can be continued by industry with assurance its needs for change and expansion will be meet. (2) Neither the legislation nor long term contracts should be written in such absolute language as we now use. More leeway must be given the Forest Service to engage in constant dialogue with the industry, local officials and the public based on general statutory guiding principles and not specifically legislated paramaters.

My study in Japan last year taught me that we are not now and will not compete with the Japanese way of doing business unless you who govern make long term peace with industry, with worker, with native, with environment, and with local citizen.

Thank you for listening but two minutes was not enough time.

Jim Bruce

James L. Bruce

---

1. C.L. Cheshire and Bryan Mangum, An Analysis of the Ketchikan Economy, Economic Development Center, Ketchikan Community College (renamed University of Alaska Southeast), June 1987, at page 31, Table V. In contradistinction to the contribution of tourism, the forest products industry contributes "26% of the basic economy." Id. at 12. "The key ingredient for the financial success of the [forest product] industry was and is the pulp mill." Id. at 13. The Analysis should be read in its entirety for it is more elegant and complete than I can be. A copy is attached hereto to assist in understanding why the more reflective members of this community so strongly support continuation of the long term contract.

Senator WIRTH. Mr. Prefontaine.

## STATEMENT OF ED PREFONTAINE

Mr. PREFONTAINE. I am Ed Prefontaine, I am the Manager for High and Dry Building and Plaster, and it is owned by my oldest son.

I will skip over the creation of additional wilderness areas at the request of minute but very vocal groups. Creation of a wilderness area automatically condemns the land to non-use. It does not make it a single-use lands; it is non-use; it then becomes a public liability which only a select few taxpayers can enjoy.

The long term timber contracts should not be canceled in total. The honesty and integrity of the government demands this. These are not Indian Treaties. These contracts were made in good faith to the American people and they should not be abrogated.

The Forest Service and Timber Industries in the Tongass areas are staffed by competent and successful foresters and engineers. We do not need interference by persons or groups that have no financial stake locally. In short let them stay at home and tend to their own affairs.

A well-managed forest on a sustained yield basis is to be preferred to urban decay, ghettos, drugs and street gangs, et cetera. Consider a moment a bathroom without toilet tissue or a schoolroom without pencil and paper. Is preserving a decaying forest worth these privileges?

The welfare rate of participants in the Tongass Forest Industry sets an enviable national record. If we lock up our forests we are going to go on welfare.

Thank you.

Senator WIRTH. Thank you, Mr. Prefontaine.

[The prepared statement of Mr. Prefontaine follows:]

# TESTIMONY ON THE TONGASS TIMBER REFORM LEGISLATION

by ED PREFONTAINE
April 24, 1989

The Wirth and Mrazek Bills are totaly unacceptable to The Alaska Timber Industry and most of the people of Southeast Alaska for the following reasons:

1. Creation of additional wilderness areas are at the request of minute, but very vocal groups. They are well financed and willing to use any half-truths or out right distortion to gain their goals. Creation of a wilderness area automatically condemns the land to non-use and it then becomes a public liability which only a select few taxpayers can enjoy. Indeed, that part of the forest which is most accessable to the public is reached by using old logging roads. The Tongass forest is by its very nature a self regenerating wilderness. The recent debacle at Yellowstone National Park clearly demonstrates the future of un-managed forest lands and its cost.

2. The long term timber contracts should not be cancelled in total. The honesty and integrity of Government demand this. These are not Indian treaties. These contracts were made in good faith to the American people.

3. The Forest Service and Timber Industries in the Tongass areas are staffed by competent and succesful foresters and engineers. We do not need interference by persons or groups that have no financial stake locally. In short let them stay at home and tend to their own affairs.

4. A well managed forest on a sustained yield basis is to be prefered to urban decay, ghettos, drugs and street gangs and social economic problems of other states. Consider for a moment a bathroom without toilet tissue, a classroom without paper and pencil. Is preserving a decaying forest worth these privileges?

5. Many useful projects in the past have been delayed by the actions and claims of minority groups, this has resulted in great cost and in many instances, economic losses. We urgently need legislation forcing these groups to assume financial responsibility when these claims prove to be groundless or untrue. Until this is accomplished, the current scene will be repeated without end

6. The welfare rate of participants in the Tongass Forest Industry sets an enviable national record. The percentage rate is nearly non-existant. The present bill if accepted would turn Southeast Alaska into a latter day Appalachia. We do not need this. Why not leave self reliant and self supporting people alone, and honor these contracts as they are written?

7. Many of the professional and highly skilled individuals, with knowledge of the stability of the region, have moved into Southeast Alaska and in good faith have invested heavily in housing and business enterprises. If legislation is enacted which greatly impacts the economy, will Congress provide the finances to repay these people for their investments, and assist in relocation?

Please defeat the Wirth and Mrazek bills. Thank you.

Senator **Wirth**. Ms. Watt has joined us. Ms. Watt.

## STATEMENT OF NANCY WATT

Ms. **Watt**. I apologize for my being late. I am Nancy Watt, I am an Alaskan Cruise Lecturer and I support the timber industry in the way it is right now.

I can tell you it is not a threat to tourism, nor is it offensive to cruise ship passengers. It has a very positive effect on the thousands of cruise passengers I have traveled with, for the majority of tourists in this part of the state come on cruise ships.

For 17 years I have traveled on these cruises and voyages in the Alaskan waters and I have personally talked to and dealt with about—mingled with about 12,000 people over a long period of time. Let me tell you what the typical cruise ship passenger is looking for and hoping to find.

First of all he wants to see beautiful wilderness and they want to find a frontier lifestyle. They are saying only that, is this really Alaska's last frontier for American nature and the American people. Will you find wilderness? Oh, oh, my yes, they are absolutely amazed at the millions of trees and the lack of habitation. I am happy to know that the Tongass National Forest is highly regulated and so much of it is already in wilderness and in fact they are surprised that there is so little logging done in proportion to the number of trees.

They are really interested in the American-Alaska lifestyle and people and they constantly say, what do people do for a living here. Happily I do not have to say about Ketchikan, they mostly work for the government. I have to say, well, we are dependent on one industry. In Ketchikan we can say some log, some fish, some tourism industry and the rest of us pay for trees and sell to those who do so the majority of course are cruise ship passengers and they are finding different and an interesting lifestyle and the same people co-exist with the wilderness they find at Tongass works out very well and we hope you will too.

Senator **Wirth**. Mr. Burns.

Senator **Burns**. I just have one question of Mr. Begalka.

Is the Forest Service doing a good job or have they been lax in enforcing their environmental rules and regulations in those areas that have been heavily logged?

Mr. **Begalka**. Well, I think they have done a good job, I think—well, I do not work for the Forest Service but I work for private industry.

Senator **Burns**. That's why I asked you.

Mr. **Begalka**. Well I think our feeling is the same. By the way I think they have taught a good forestry course, I do not know if they still do or not but yes, I think the Forest Service has done a good job.

Senator **Wirth**. Thank you all very much. We are very pleased to have you with us. Thank you for being here and we appreciate Ms. Watt, that you were able to make it, to slide in.

Senator **Murkowski**. I have one question to be directed to Mr. Begalka.

There is concern over the ability to manage the forests but we know that we have private and native lands which I believe have to meet state regulations and then we have National Forests, which is under the Forest Service. Could you comment in your professional opinion on the adequacy of the State to manage and oversee its responsibility on private lands for logging practices in a manner in which is compatible, say with the Forest Service and I take advantage of you because there are three professional forests available that random select.

Mr. BEGALKA. Well, as you know right now the state is involved in a renewal, a revision of the state's Forest Practices Act. Probably the most significant difference I can see and offhand would be the size of the clearcuts. In the private timber the natives are allowed to harvest all the wood.

The other problem that I could see is the fact that the state is quite understaffed in their regulation personnel. They can get out, they have two forces at Ketchikan who regulate the State Forest Practices; the Forest Service on the other hand has a tremendous number of machines and biologists that—they do very well to complete.

Senator WIRTH. What I am getting at and I think——

Senator MURKOWSKI. What I am getting at and I want the Chairman to understand the differentials because we paint with a broad brush accusations such as poor forest Management practices and logging too close to creeks, erosion and so forth. I am wondering if in some cases we are confusing and not making a distinction between what is happening on the private land or as you indicated that there is a limitation of that state access to oversee us and the fact that they can log much larger areas and that the control is much stricter on federal lands than it is on the private lands and that we see inconsistencies and we see more of them on private lands than public lands or not.

Mr. BEGALKA. Well I do not really think—I think that the control is adequate and no matter what the state says—I work for the natives sometimes too and I discovered the forest practices they invoked were as good as—they had the fence put up but it is a little difficult to assess when you can take an entire valley and clearcut it in a single 80-acre unit and I see no adverse problems either way.

Senator WIRTH. We thank you all very much. Mr. Begalka and we thank you for your professional views.

Now if we might move to the next panel, Mr. John Blubaum, Roger Arriola, David Bray, Steve Connelly, Brad Finney and Robert Elliot. Perhaps moving up we might get our next six speakers, Eric Hummel, Paul Dirksen, John Clifton, Laurin Boyer, Virgil Gile and Tam Murphy.

Let us begin with this group, you are all familiar with the rules of the committee and the constraint of time. The red light will go on at the end of two minutes and as you know I will just be forced to cut you off at that point and not being rude, only trying to respect everybody else and get to them.

Mr. Blubaum.

## STATEMENT OF JOHN E. BLUBAUM

Mr. **Blubaum**. Before we start I would like to present you with another petition like the ones presented earlier; it has over 100 signatures and represents 500 people but it is basically from the——

My name is John Blubaum and I have been a resident of—now this is in support of Mr. Murkowski's Bill.

Anyway, my name is John Blubaum and I have been a resident of Prince of Wales Island for 29 years. I am after the balance that you said. By professional classification I am a logger but basically I am just a person trying to make a living. I have been a member—an elected official in southeast—we have 15 in the school district. We have 15 schools in the Tongass which gives me an opportunity to travel and gives me an idea of the Tongass' grandeur.

I come from a small southern background and naturally I just wanted to succeed and got into logging, as a logger. Now what happens to loggers is that it is hard to perceive rotating a crop every hundred years. This ground is not—will not raise soybeans or corn or wheat but it does an awful good job of raising spruce, hemlock and cedar.

Also I would like to allude to Fernando Mendez, who is known as Chico Mendez. When I say that everybody should recognize that the name Mendez is an environmentalist in Brazil, the lumber capital, but basically he was a logger. Logging people do not realize that but all he did was tapping rubber trees and when they got old and would not produce any more he was a strong advocate of cutting the trees and replanting them, rubber trees.

What he was against and why he lost his life was defending his forest against deforestation so basically we are not deforesting, Congress, we are just basically harvesting old mature trees.

The fishermen in this audience are basically farmers too; they harvest crop once a year, a renewable resource, and if they are lucky and diversified they might get two so——

Senator **Wirth**. We have reached that point.

Mr. **Blubaum**. Well, I would like to say that Robert W. Service, a poet from here promised—a promise made is a promise made.

[The prepared statement of Mr. Blubaum follows:]

**TESTIMONY BY**
**JOHN E. BLUBAUM**
**P.O. BOX 434**
**THORNE BAY, ALASKA 99919**
**907-828-3946**

April 24, 1989

My name is John E. Blubaum and I've been a resident of Prince of Wales Island for 29 years. I am an advocate of the balance of the Tongass National Forest philosophy. By professional classification I am termed a logger. I am married and have two sons who have been born in the Tongass and presently live in the Tongass. I am a member of the Moose Club, Elks Club and the Masonic Temple. I have served eigth years on the Southeast Island School District Board and have coached and refereed high school and junior high basketball for the last 15 years. Of those years of service on the school board and with other activities, I have been able to travel extensively in the southeastern portion of the Tongass. I have worked on Prince of Wales Island, Revilligagado Island, Admiralty Island and a couple of other smaller Islands. This has given me the first hand knowledge of how I perceive the Tongass and how it is managed.

I would like to try and focus on the idea that all of us here in this room are really farmers. I was raised in southern Indiana in a small farming community. I completed my high school education there and then traveled to Los Angeles to attend college. I came up to Alaska as a college student to work the summer of 1960. I liked the way of life so well, I've been here ever since.

It is only natural that coming from a farming back ground, I can actually perceive a logger as a farmer. We are basically a farmer and everyone in this room could be a farmer in his own profession. Wheather it be a newspaperman trying to glean his little acorn of information on how he can perceive these hearings so he can write for his paper. You people on the committee are farmers trying to glean information so, you can go back and make a decision. The fisherman in this room are farmers that harvest a renewable crop every year. We as loggers are merely farmers. It is hard for people to realize rotating a crop every 100 years, puts you into the class of harvesting or farming a renewable resource. We are not like a miner or an oilman that deals with a non-renewable resource but, basically they are harvesting the fruits of the land, wheather it be silver at Green Creek or oil on the north slope. We are basically farmers, all of us, every job we have, wheather we're a businessman trying to go out and harvest the fruits of someone elses labor selling them a product. We in turn are no different, we're harvesting logs from a small percent of an over mature forest.

Now, I would like to allude to Francisco Mendes Filho, better known as "Chico Mendes". When I say the name of Chico Mendes everyone will recognize his name as an environmentalist, rubber tapper or logger who was killed defending his forest in Brazil. A lot of people don't realize that Chico was really a logger. He wasn't opposed to logging. What he was really opposed to was deforestation. But, everyone perceives him as anti logging. He wasn't anti logging. He was in favor of a healthy forest and that was mainly his job. He was farming rubber and he was the head of the rubber tapping union in Brazil. All they were doing was farming by going out and tapping the rubber trees and receiving the latex from them for making rubber. However, he knew that when a tree got old and started producing less and less rubber it was time to fall that tree and utilize the lumber and plant a new tree. And that is basically what we do.

We are in the process of harvesting old mature trees and planting new ones. Then when someone alludes to the greenhouse effect that might be taking place because of the vast deforestation of the Amazon area has nothing to do with the Tongass. What it does have to do with is the lack of common sense management of their forest. When you see a picture of a terribily large clearcut make sure you know where it comes from, wheather it is on private timber such as the Indian corporation. You will not see them on the Tongass, because it's not allowed by the forest service. You folks know that, I know that and everyone in this room should know it. But, the environmentalist or these people who are trying to emulate Chico Mendes say, hey they are tearing our forest up.

Lets all try in the future wheather we are fisherman, logger, businessman, all try to emulate Chico Mendes and try to save a dying forest. The way to do that is to harvest the over mature old trees. Plant news ones and get a healthy forest going again. This not only serves two pole purpose, as adding oxygen to the atmosphere to kind of counteract the deforestation in Brazil, (if you would like to think of it in that manner). It provides utilizing nature, it utilized a promise that has already been given to the people of our great state of Alaska. All we are asking is that when you try to make your decision, try to think and emulate Chico Mendes. Save our forest by allowing the forest service to continue to manage it in a proper manner where we can all live in the Tongass. The fisherman, logger, businessman, tourist, everyone is important and no one is more important than the other person. But, the main thing is, here we have a little piece of gound cornored in the great scheme of things that is over mature and needs to be harvested. It can be harvested properly and can be replaced properly. Lets don't talk about how the native corporations manage there land. Thats their business. We're here today to discuss how to manage the Tongass.

Do not eliminate jobs without just cause. I maintain all Alaskans live outside of the comfort zone but, we do so by choice. Don't put an added hardship upon the small population of our state. One base of our employment field will effect all of the residents of Southeast Alaska. Each committee member probably has cities in your state with more population than our whole state of 450,000 people. It is so hard for such a minority of population to try and convince the vast majority that we are not over harvesting and devestating the state of Alaska.

I wholeheartedly support the idea that there is a balance that can be maintained efficiently and easily here in the Tongass. All we have to do is use a little common sense and we can all go on with our lives. My children who where born in the Tongass can continue to live in the Tongass and their childrens children can live in the Tongass if they so desire too! All, because there will always be a crop to harvest.

Thank you.

John E. Blubaum

John E. Blubaum

Senator WIRTH. Mr. Arriola.

## STATEMENT OF RODGER ARRIOLA

Mr. ARRIOLA. Thank you for the opportunity to testify before you.

My name is Rodger Arriola and I am a 34-year resident of Ketchikan and employee of Ketchikan Pulp Company for 15 years. I am an employee representative affiliated with the Association of Western Pulp and Paper Workers, Ward Cove Local 783.

Local 783 represents 308 of the 374 hourly employees at Ketchikan Pulp Company. Two weeks ago, when I learned of this opportunity to testify I began to solicit support from co-workers on the issue of the Tongass. Many were reluctant to support written or local opposition to KPC management position, mainly out of fear of losing their jobs. On four previous occasions mill workers and this community have been held economic hostage to KPC's threat of shutting the pulp mill down, yet my co-workers feel something needs to be said and done concerning this scare tactic of crying wolf and the erroneous statements concerning wages, benefits and profits shared equally by all employees at KPC. In spite of the devastating wage and benefit cuts and a recent attempt by management to oust Local 783 from the mill, KPC employees wish to make it known that we have not shut the mill down by going out on strike or other means. In fact record production levels and record profits have been achieved during this time, yet once again when KPC comes under scrutiny for mismanagement of our resources they are the ones who threaten to shut the mill down. Ketchikan Mill Employees, when is enough enough?

We have already felt the travesty of having the economic carpet literally pulled out from under our feet by present KPC management who felt the need to terminate our contract with them and implement new conditions which are favorable to them. When mill management talks about a restructured operation and reduction of internal costs that allow them to be competitive, mill employees know what they are talking about. Devastating reductions in wages and benefits, poor labor relations to the point KPC employees are the lowest paid workers in the entire pulp and paper industry on the West Coast.

KPC wants written guarantees from the Federal Government, a commitment in the form of the present contracts. Yet KPC employees have tried in vain for nearly five years and have not achieved the goal of obtaining a fair contract with present mill management.

To coin a phrase I once heard, this is the moral equivalent of war and if we will not be vocal we will continue to be the victims of this Great Alaskan Rip-Off.

Mr. Chairman, there must be some form of sanity brought back into this industry spurned by greed before more people are hurt because of the waste and mismanagement. If your bill now pending before the Congress will help bring this about I support your bill, however with one exception.

Under Title III, Section 302 (a) and (b), if it is possible to attain, this section must be amended to permanently protect these areas which are important to many of my co-workers as well as the Fishing and Tourism Industries. If required, I am able to supply detailed information to support this testimony.

Senator WIRTH. Thank you, Mr. Arriola.

[The prepared statement of Mr. Arriola follows:]

April 24, 1989

Mr. Chairman and members of the committee, thank you for the oppertunity to testify at this hearing. My name is Rodger Arriola. I am a 34 year resident of Ketchikan and an employee of Ketchikan Pulp Company for 15 years. I am a employee representative, affiliated with the Association of Western Pulp and Paper Workers, Ward Cove Local 783. Local 783 represents 308 of the 374 hourly employees at KPC. Two weeks ago, when I learned of this oppertunity to testify. I began to solicit support from co-workers on the issue of the Tongass. Many were reluctant to support written or vocal opposition to KPC managements position, mainly out of fear of losing their jobs. On four previous occasions mill workers and this community have been held economic hostage to KPC's threat of shutting the pulp mill down. Many of my co-workers feel something needs to be said and done concerning this scare tactic of "crying wolf" and the erroneous statements concerning wages, benefits and profits shared "equally by all" employees at KPC. In spite of devestating wage and benefit cuts, and a recent attempt by management to oust AWPPW from the mill, KPC employees wish to make it known that we have not shut the mill down by going out on strike or other means. In fact, record production levels and record profits have been achieved during this time. Yet, once again when KPC comes under the scrutiny for mismanagement of our resources, they are the ones who threaten to shut the mill down. Ketchikan! Mill employees! When is enough, enough? We have already felt the travesty of having the economic carpet literally pulled out from under us by present KPC management who felt the need to terminate our contract with them and implement new conditions which were favorable to them. When mill management talks about a restructured operation and a reduction of internal costs that allow them to be competitive, mill employees know what they are talking about. Devestating reductions in wages and benefits, poor labor relations to the point, KPC employees are the lowest paid workers in the entire pulp and paper industry on the west coast. KPC wants written guarantees from the Federal Government, a committment in the form of the present contracts. Yet KPC employees have tried in vain for nearly five years and have not achieved the goal of obtaining a fair contract with present mill management.

To coin a phrase I once heard, this is the "moral equivalent of war", and if we will not be vocal we will continue to be the victims of this Great Alaskan Rip-Off.

Mr. Chairman, there must be some form of sanity brought back into this industry spurned by greed before more people are hurt because of the waste and mismanagement. (IF) your bill now pending before the congress will help to bring this about, I support your bill. However, with one exception. Under Title III, section 302 (a) and (b), if it is possible to attain, this section must be amended to permanantly protect these areas which are important to many of my co-workers as well as the Fishing and Tourism Industries. If required, I am able to supply detailed information to support this testimony. Which if the committee desires I will make available at your request.

Senator WIRTH. Mr. Bray.

## STATEMENT OF DAVID BRAY

Mr. BRAY. My name is David Bray and I am a member of the United Southeast Alaska Gillnetters. I am not against logging since my father worked in the local pulp mill for 26 years. What is bothering me is that a clearcut cannot be cleaned up by removing all the slash. Why cannot logging equipment such as old cable, rusted flywheels and drums be removed from the streambeds? Granted, not all streams in a clearcut area have these problems.

I realize it would cost extra money to do this but we as fishermen have to spend extra money to protect our resources.

Whatever bill is adopted it should make the logging company police their logging practices.

All I am concerned about from a fisherman's point of view is protecting a resource that I make a living from. The fishermen have given up a lot in terms of enhancing their resource, why cannot the logging companies give a little in a form of a compromise and those in recreation and——

Well, I recommend strong enforcement.

Senator WIRTH. Thank you very much, Mr. Bray a refreshing statement.

Mr. Connelly.

## STATEMENT OF STEVE CONNELLY

Mr. CONNELLY. My name is Steve Connelly and I live and work at Ketchikan Pulp at Thorne Bay on Prince of Wales Island year-round.

Senator Wirth, I am opposed to your bill because one way or another it attempts to shut down our industry through contract cancellation and reducing our timber supply.

After ANILCA agreement we thought a lasting compromise had been reached and we could go to work with a secure timber base and harvest levels. This was an agreement which put two-thirds of the commercial forest land in wilderness or other non-harvest designations.

These compromises may not shut us down or kill us initially but they are surely killing us by half.

Now you and preservation groups are back and want even more of a small timber base upon which our livelihoods, families and communities depend. We are tired of being told that we have to sacrifice our productive lifestyle by other people with more wealth and sophistication who will bear no part of the costs imposed on us.

The men and women in the timber industry contribute to this country by working hard and paying taxes and then they find that their sustenance is not as important as that of an over-mature forest of which eight million acres in the Tongass is already preserved. It's now apparent there is no effective counterbalance to the environmental movement. Senator, I wish you would consider people to be at least as important as fish and as deer.

The real tragedy of legislation is that there is no crisis in the Tongass Forest. Our timber industry is renewing a small portion of a decaying forest through sustained yield forestry. Fish and wildlife populations are thriving and their habitat has a higher priority than timber harvesting in the planning process.

If any changes are needed to be made in the Tongass they should be addressed in the Tongass Land Management Planning process. Resource professionals should determine the proper balances in the forest and it should not be the subject of legislation.

I would like to close by telling Senator Burns we beat the seven day week in the logging camp. [Applause.]

Senator **Wirth**. Thank you Mr. Connelly.

Senator Burns, I am assuming again that that was part of a beef we had.

Now Mr. Finney.

## STATEMENT OF BRAD FINNEY

Mr. **Finney**. My name is Brad Finney and I am a lifetime resident of Alaska and in the audience are my two children who represent the fourth generation of my Alaskan lineage.

My family and I utilize the Tongass Forest as our recreational area.

I am an avid hunter and camper and have covered more miles on foot in the Alaska Wilderness than the good Senators covered flying here from Washington. If I were to run into other people in my travels I would be appalled and most certainly move on to find a less impacted area.

I feel fresh clearcuts are an eyesore and as a rule stay clear of them. I love Alaskan solitude, old growth timber stands, shaded streams and gentle rains. I live here because of these qualities; I do not want to lose them.

In my 33 years in Alaska I have been able to satisfy all these desires on Prince of Wales Island amidst the most extensively logged areas in southeast.

When I was born there was seven miles of road on Prince of Wales, now there are over 700 driveable miles. It is because of these roads, this access into the wilderness, that I have always found Prince of Wales so inviting and such a good source of recreation.

I work for a heavy construction company which historically derives 50 percent of its annual work from the timber contracts and employs up to 300 people.

If our Congress breaks the long-term contracts and breaks the ANILCA Agreement, I would heartily support such legislation, I would also support the subsequent subsidies to us not to log and not to build roads. A few hundred million more in agricultural subsidies would hardly be noticed I am sure.

With this alternate source of income I will then be better able to enjoy the wilderness I love, Prince of Wales Island.

I think wilderness is a good and healthy thing for the environment and for this country. I think Alaska has enough and if you doubt it I invite you to take a hike with me into some of the nondesignated wilderness areas.

Let us not lock up Alaska's resources, its recreation, its future. I want my children to live in Alaska—let us not make it a park for a very wealthy few.

[The prepared statement of Mr. Finney follows:]

My name is Brad Finney. I am a lifetime resident of Alaska and in the audience are my 2 children who represent the 4th generation of my Alaskan lineage.

My family and I utilize the Tongass Forest as our recreational area.

I am an avid hunter and camper and have covered more miles on foot in the Alaskan Wilderness than the good Senators covered flying here from Washington. If I were to run into other peoples in my travels I would be apalled and most certainly move on to find a less impacted area.

I feel fresh clearcuts are an eyesore and as a rule stay clear of them. I love Alaskan solitude, old growth timber stands, shaded streams and gentle rains. I live here because of these qualities.- I will fight to protect them.

In my 33 years in Alaska I have been able to satisfy all these desires on Prince of Wales Island (P.O.W.) amidst the most extensively logged areas in Southeast.

When I was born there was 7 miles of road on Prince of Wales, now there are over 700 driveable miles. It is because of these roads, this acess into the wilderness that I have always found P.O.W. so inviting and such a good source of recreation.

I work for a heavy construction company which historically derives 50% of its annual work from the timber contracts and employs up to 300 people.

If our Congress breaks the long term contracts and breaks the ANILCA agreement, I would heartily support such legislation. I would also support the subsequent subsidies to us not to log and not to build roads. A few hundred million more in agriculture subsidies would hardly be noticed I am sure.

With this alternate source of income I will then be better able to enjoy the wilderness I love, P.O.W Island.

3

I think some wilderness is a good and healthy thing for the environment and for this country. I think Alaska has enough and if you doubt it, I invite you to take a hike with me into some of the non-designated Wilderness areas.

Let's not lock up Alaska's resources, its recreation, its future. I want my children to live Alaska. Let's not make it a park for a very wealthy few.

## STATEMENT OF BOB ELLIOT

Mr. **Elliot**. My name is Bob Elliot and I thank you for the opportunity to voice my opinion.

My wife and I own and operate Coastal Machinery in southeast Alaska. We have facilities in both Ketchikan and Juneau and provide sales and service of equipment for the logging industry throughout southeast. We have been in business for ten years and currently have 26 employees.

I know I speak for all of them and their families when I urge the Congress of the United States not to renege on the last compromise concerning the Tongass National Forest.

We have made commitments in southeast Alaska, largely due to the conditions already set forth in 1980. From an economical standpoint that commitment includes borrowing money long term, similar to the investments made by the two pulp mills based on those long term contracts.

Legislation to reduce the amount of timber available and cancel the current long term contracts would have a devastating effect on not only all of our employees and their families but thousands of others that choose southeast Alaska as their home.

While the Government may have the ability to take our tax dollars and buy back the contracts with the pulp mills, they do not have the ability to absolve themselves of the moral responsibility to the people for the resultant loss of jobs and business from such action. I caution you, the ripple effect would not stop there.

In light of this country's current trade deficit, it would seem a more prudent approach might be the wise development of our natural resources, especially our renewable resources such as the Tongass, rather than compounding the problem by locking up more land for wilderness.

Thank you.

Senator **Wirth**. Thank you all very much, we appreciate your being here and giving us the benefit of your views.

We might move to the next six, to the table please. Mr. Eric Hummel, Mr. Paul Dirksen, Mr. John Clifton, Laurin Boyer and Virgil Gile and Tam Murphy, move to the chairs please, Mr. Thomas O'Dowd, Corrine Radergraham, Nellie Howatt, Stan Swartz, Bill Rotecki and Mr. Bolshakoff.

We can start with Eric Hummel.

## STATEMENT OF ERIC HUMMEL

Mr. **Hummel**. My name is Eric Hummel and I live on Gravina Island; I am a ten-year resident.

Thank you for the opportunity to testify in favor of the Tongass Timber Reform Act.

There are 70,000 people who live and work and play in Southeast Alaska. The logging industry employs several thousand of these but in the public comments of these hearings they have tried to make you believe that they speak for the remaining 65,000 of us. Sorry, there are plenty of Alaskans who support the Tongass Timber Reform Act.

The Tongass National Forest is used in some way by each of its residents and people come from all over the world to marvel at its wilderness, its natural beauty and botanical wealth. This should not be a single use National Forest but it is being managed as such. Fish and wildlife habitat and scenic recreation and tourism potential are all damaged or destroyed in clearcuts. These are areas that have been stripped of their multiple use potential. The Tongass needs a balance between logging and its other uses. This balance has been lost.

The 4.5 billion board-foot decade production mandate imposed on the U.S. Forest Service by Congress does not allow for the reasonable management on a multiple use basis. National Forest management cannot come from politically based production quotas. This is the way the Soviet Union runs its agriculture and it is not a good way to run our national forests. From a personal standpoint this means that the places where we go camping with our families, fishing with our friends or sightseeing with our guests are on the chopping block. These are places full of deer, otter, bear, wolves and eagles, as well as salmon, trout, steelhead and Dolly Varden and yet when we work toward the protection of the places that we love best we know that our success is based on the sacrifice of someone else's back yard.

Please cancel the 50-year contracts, repeal the 4.5 billion board-foot harvest mandate and please give permanent protection to some of the areas that we most value for its wildlife and recreation value. Permanent protection will not lock up the land but will lock up the Tongass use, stripping it of all value by clearcutting it.

Let us share use of this wonderful region with loggers, fishermen, hunters, campers, tourists and just plain people and then we will have something to share with our children and our grandchildren.

Thank you.

Senator WIRTH. Thank you very much, Mr. Hummel.

Paul Dirksen.

## STATEMENT OF PAUL DIRKSEN

Mr. DIRKSEN. My name is Paul Dirksen and I am from Anchorage. I am a Real Estate Appraiser and have been appraising in the State of Alaska since 1964. I am a resident of Juneau and have wide experience appraising southeast Alaska.

I wanted to comment on the impact on real estate value if there is a termination of the timber contract.

In 1982 when they were proposing to move the capitol from Juneau to Willow I was employed by the new capitol's County Commissioner to do a study of what I could be expected to happen to real estate values in Juneau if the capitol were moved. Based on that study our conclusion was that values would decline in the neighborhood of 50 percent.

Since that time we have had a drastic decline in real estate values in Anchorage where my principal business operation is; properties that were selling in 1985 for $100,000 are selling now for as low as 25,000 or in the neighborhood of a 75 percent decline in values.

This is the impact after only a 12.5 percent decline in population. Typical real estate purchases involve an equity payment of perhaps

20 percent, with the balance being borrowed from financial institutions. Decline in value in the neighborhood of 30 percent would involve a total loss of the equity; it would often hurt the people that owned it and as we have been learning quite recently breaking banks as well. Over the weekend we heard that the Alliance Bank went down. The cancellation of the timber contract would eliminate the only year-round employment in southeast Alaska.

Senator WIRTH. Mr. Dirksen, I am afraid we are at that point. Mr. Clifton.

## STATEMENT OF JOHN M. CLIFTON, CHAIRMAN, KETCHIKAN OVERALL ECONOMIC DEVELOPMENT COMMITTEE

Mr. CLIFTON. My name is John Clifton and I am employed by a locally owned First Bank. I am Chairman of the Overall Economic Development Program in Ketchikan; the Committee consists of 14 citizens in the City and Borough of Ketchikan and the members have backgrounds from diversity in the public and private sector.

The Committee was designed to create employment opportunities, costs are more stable and diversified local economies, improve local conditions and provide a mechanism for building and coordinating the efforts of local individuals and organizations concerned with the economic development of the Ketchikan Community.

At a special meeting held on March 28th the Committee voted to support the Policy Statement of the Alaska Loggers Association on the Tongass Legislation. The vote was six to two voting against the motion; the two minority voters did acknowledge their support for the Policy Statement on the Tongass National Forest Legislation as presented by the Southeast Conference.

Now many of the arguments that we have heard here deal with emotional issues. The information in my written statement clearly shows the economic importance of the timber industry to southeast Alaska and the impact of reduction levels of harvest. With small reductions harvest the levels of employment and population would significantly be lowered and the opportunities to use the region would be greatly reduced.

I urge careful consideration of the Tongass National Forest Legislation and the economic impact of your decisions on the people in the communities in Southeast Alaska.

[The prepared statement of Mr. Clifton follows, attachments retained in subcommittee files:]

# TESTIMONY FOR THE CONGRESSIONAL HEARINGS RELATED TO THE TONGASS NATIONAL FOREST LEGISLATION

JOHN M. CLIFTON. CHAIRMAN
KETCHIKAN OVERALL ECONOMIC DEVELOPMENT COMMITTEE

April 24, 1989

The Ketchikan Overall Economic Development Committee is designed to create employment opportunities, foster more stable and diversified local economies, improve local conditions, and provide a mechanism for guiding and coordinating the efforts of local individuals and organizations concerned with the economic development of the Ketchikan community. Members are appointed by the Borough Mayor. The Committee is comprised of 5 subcommittees, Timber, Fisheries, Tourism and Secondary Industries. The membership represents a cross section of the public and private sector of the community.

While our stated purpose is to promote development, it is clearly understood that the preservation of existing jobs is critical to the economic well being of the community.

The Committee approved a motion on March 28, 1989 supporting the "Policy Statement of the Alaska Loggers Association on Tongass Legislation" (see attached Exhibit 2). The vote was 6 to 2 with the chair only voting in case of a tie. While two members of the committee do not support the ALA statement, they do support the "Policy Statement on the Tongass National Forest Legislation and Management" prepared by the Southeast Conference (see exhibit 3).

The members are opposed to the legislation that will cost the area jobs.

Recognizing the importance of the industry, the timber subcommittee initiated the idea for the conference on "The Future of the Timber Industry In Southeast Alaska" which was held January 28, 1989 and was sponsored by the University of Alaska Southeast - Ketchikan and the Ketchikan Chamber of Commerce. The idea with the conference was for the speakers to present their views in a format that could be published and used in the future. Unfortunately the program was not well covered by the media, and the written text of their presentations was just made available this week.

Dr George W. Rogers of Juneau, Alaska gave a first hand perspective in his presentation of "The Impact of the Long Term Contracts on the Economy of Southeast Alaska: 1954 - 1988". The long term contracts were what made the development of the timber industry possible (see exhibit 4).

Drs. Con Schallau and Wilbur R. Maki of the Pacific Northwest Research Station in Corvalis, Oregon presented their findings in a presentation titled "Some Economic Implications of a Change in Timber Harvesting on the Tongass National Forest" which they developed with the assistance of Dr. Doug Olson(see exhibit 5). I would summarize their presentation with an excerpt:

> "An economic impact analysis of Southeast Alaska demonstrates that some plausible changes in harvesting from the Tongass National Forest will be accompanied by significant changes in employment. A reduction from the current harvesting level of 396 mmbf to 350mmbf would

> eventually eliminate a total of 400 jobs directly and indirectly associated with the timber processing industry. The seriousness of this possibility is further amplified by the fact that Southeast Alaska will experience a significant loss of jobs as harvesting by the Native Corporations declines."

As a personal note, I have lived in the northwest all my life. As a Boy Scout I grew up loving the forest, hiking and camping, observing the wildlife.

The forests were both publicly and privately owned. To this day one of my favorite camping spots is a meadow that was created as the site for a logging camp long since torn down. I never thought much about it. Yes, I knew that the area had been clear cut thirty years earlier, but that didn't make the under brush less dense as we scavenged for dry fire wood. Old logging roads made access to most of the areas possible. The trees grew tall and strong.

Sometimes when I'd sit around the campfire talking with my dad. He'd tell me how he had grown up enjoying the out of doors, spending the summers hiking and fishing in the wilderness. Like his father, he was concerned about clear cutting of the forests. My dad was a highway contractor, he saw lots of logging, and built hundreds of miles of roads. But, he was always amazed at how fast the forest grew back after harvesting the trees. He knew that with management suited to the region the forests would come back to be harvested again in the future.

I work for a local bank that serves Southeast Alaska. I didn't move here for the job, I moved here to be close to the out-of-doors, to live and work with people who enjoy the forests, rivers and ocean as much as I do. My neighbor has a kayak, I have a power boat, we both use the same ocean, we get along as friends and neighbors. Alaska is big enough for a variety of vocations and avocations.

After 4 years I have stopped being concerned about how few non-Alaskans understand this state, its size and its people. But I continue to be frustrated by how so much of our lives are affected by people who don't live here.

If the Valdez oil spill had happened of the coast of Long Island, New York I bet it would be cleaned up by now because the politicians in New York would know how to take care of their constituents. Similarly, the Alaska Congressional delegation is best suited to work with the people of Alaska. I support them.

In conclusion, the Tongass National Forest Legislation issue impacts all of Southeast Alaska. Our economy and life style depends on a balance of the factors involved. To alter the management plan for the Tongass without careful consideration to the economic impacts is not a viable option.

Senator WIRTH. Thank you very much, Mr. Clifton.

Mr. Boyer?

## STATEMENT OF LAURIN BOYER

Mr. BOYER. Gentlemen, I am glad to be here for the opportunity to express my views on the Tongass Region.

My name is Laurin Boyer, and I am an employee of the Southeast Stevedoring. I travel all over southeast Alaska with my work and I love this area and have hunted, fished and trapped in it since 1952.

I believe that logging using sound practices and sustained yield should be taking place and thought of in much the same manner as a farmer raising and harvesting crops.

Any cut in the amount of timber harvesting would surely have an impact on the economy of this area.

My main concern is that decisions affecting our logging and economy are being made based on emotionalism, misrepresentation, ignorance and downright lies.

At least three of the nation's leading magazines have had articles which are filled with examples of this.

Comparing our self-reproducing forests to the tragedy happening in Brazil's forests where massive areas are cleared by burning for the growth of coca and other crops is the height of ignorance.

I have heard logged areas compared to Hiroshima and Nagasaki. To me they could be compared to a wheat field after harvesting and I know from experience that after a few years new trees and brush will grow up and make it a haven for deer, bear and other wildlife.

And save a 400-year-old tree? From what? It will soon be a pile of rot. It could have been used to provide work to bolster our local economy and reduce our nation's trade imbalance.

My conclusion is that southeast Alaska is the victim of an emotional minority who blindly serve their own self interests to their own end and a government who still breaks treaties and agreements as readily as they have done in the past.

Our trees are a natural renewable resource and lets allow them to be harvested following a sound management plan brought together by Alaskans for Alaskans.

Thank you. [Applause.]

Senator WIRTH. Thank you very much, Mr. Boyer.

Mr. Virgil Gile.

## STATEMENT OF VIRGIL GILE

Mr. GILE. My name is Virgil Gile and I am a 30-year resident of Alaska and I am representing the International Longshoremen and Warehousemens Union Local 87. I am here to speak in support of the Murkowski-Stevens Bill 237.

The continual picking away at the timber industry in the Tongass has caused a great amount of instability for the working people of Alaska. The two pulp mills and their satellite sawmills have given southeast Alaskans their first stable year around employment, which has been enjoyed by workers, families and the service community for over 30 years—hardly a cut and run operation as depicted by our critics.

The two pulp mills are continually being sniped at as being giant, mindless, foreign entities. May I remind you that the mill employees are Alaskans, working to do their part for the economic well being of America. Stop the mills and associated timber industry and great harm will be done to America. The stability of industry mentioned has allowed us to put down roots, build homes, educate our children, and establish healthy, thriving communities in a very harsh climate. The past 12-15 years, there has been a growing number of attacks on the timber industry by lock-ups into wilderness, with an ongoing demand for more, of good viable timber in the Tongass. Of the remaining timber made available to us, endless legal challenges of every timber sale confronts us. It takes at least two or three years to prepare a timber sale by the Forest Service, then two or three years in court and finally it is too expensive for the small companies and only the bigger companies can afford the waiting, uncertainty, roller coaster lumber market and high cost of operating in the northern climate. To take back the guarantee of resource timber, as promised in the 1950s, and put us on a catch-as-catch-can offering of timber is not conducive to any long range survival of industry.

I have heard on C-Span and read in the media that Alaska's congressional delegation is one of the most highly regarded and known for their honesty and integrity. Encourage all members of the House and Senate to keep this in mind and support their bills on the Tongass and help us survive here in Alaska.

Senator **Wirth**. Thank you very much, Mr. Gile. I want to call everyone's attention to that portion of your statement which will be, we all agree, about the high regard which the Alaska Delegation is held.

Our final witness in this panel is Mr. Tam Murphy.

## STATEMENT OF TAM MURPHY

Mr. **Murphy**. My name is Tam Murphy and I am currently president of Local 62 Ketchikan. I was born and raised here in Ketchikan and I have made my living from the timber industry for the last 23 years. I have seen rises and falls of work opportunity in the timber industry and right now the industry can take no more decreases in job opportunities. The contract the mills have now in southeast Alaska is also a contract for our homes, family and job security, now and in the future. I feel that if the Wirth bill were to pass, loss of job opportunity would follow and all of us in the I.L.W.U. and the timber industry making a living from the forest would be looking for new careers without any compensation from the bill.

I feel the Alaska bill would give the mills and all of us related to the timber industry for our livelihood a fair chance to stay in the industry.

Thank you.

Senator **Wirth**. Thank you very much. We appreciate all the members of this panel.

Senator **Burns**. May I ask a question?

Mr. Hummel, I want to thank you for your testimony here today. It was very well thought out and I congratulate you for that and you dealt with the managing of the Tongass and I guess it brings out why Senator Wirth has been continuing to ask you questions and well put, I might add, about why manage different here or certain things about Tongass that is not applied to other forests.

Would you agree that management of our different national forests all over the 50 states should be determined on a case-by-case basis?

Mr. HUMMEL. Yes, I think it should be determined at the Forest Service level and you guys are here to provide policy but not to fill in all the numbers is my understanding and what has happened here in the Tongass that you said that there is this 4.5 billion board foot mandate and that in essence did take a policy which is allowed for use.

Senator BURNS. Now as you said that the forests should be dealt with on a case-by-case basis by professional foresters, not by us, but when we get the right information and sifting through it, would you agree or disagree at this point that S. 237 addressed this?

Mr. HUMMEL. Senator Wirth's bill addresses this, yes, I think that he addressed that.

Senator BURNS. I think S. 237 is Senator Murkowski's Bill.

Mr. HUMMEL. No, I do not think because in his bill he does not eliminate the mandate from Congress to provide 4.5 billion board feet of lumber per year.

Senator BURNS. But you don't want us to get into the micromanagement?

Mr. HUMMEL. That is what Senator Murkowski does, it stays in the micromanagement business but what I am asking you to do is to get out of it.

Senator BURNS. Would you agree that S. 346 best addresses that?

Mr. HUMMEL. Yes, I think Senator Wirth's bill best addresses that.

Senator MURKOWSKI. Now our bill provides up to the determination being made on the state of the industry, the ability of the market to assimilate that, does not necessarily mandate 4.5.

I have been reminded that I have one very brief question I would ask Mr. Clifton if he generally agrees with the statement made by Mr. Dirksen with regard to real estate values. If the pulp mills were to shut down here the values, as I understand you, would decline 50 percent, is that basically it?

Mr. CLIFTON. Yes.

Senator WIRTH. Would you agree, being in the banking business, that you would expect that kind of decline? We have already seen what happened in Anchorage so we have some comparison.

Mr. CLIFTON. Then the best I can speak to that question would be that in, I believe 1984 or 1985 there was a shutdown of a spruce mill locally. Prior to that, I think it was 1985, real estate prices hit a high. There was a very high use of rental units, no vacancy rates. With that mill closure and also with the slowdown of the crews at that time in the logging industry, housing prices fell dramatically. Even with the strength now of the timber industry and the fishing industry and the tourism, prices still have not reached that level again. They say what the decline in the real estate prices would be honestly depends on what the number of employment drops would be and the information that we have shows that reduction in cutting of fifty million board feet in the area would cost 400 jobs, indirectly or directly in the industry and it states 50 percent and I could not necessarily agree with that.

Senator **Murkowski**. Thank you, I think it would be proper for the record if the committee would review the effect of certain other areas. If redwoods are taken out of the commercial forests or wilderness and what the resulting obligation of the Federal Government was in regards to homes, loss of equity and so forth which at that time can all be leased under the Federal Government. We did not go into that and thank you Mr. Chairman.

Senator **Wirth**. The committee just wants to take a stretch for a minute and we thank you all very much and we will have our next group be prepared to move in and ask this group—well, why do not we take a stretch for about seven to ten minutes. We are about halfway through this.

[Recess taken.]

Senator **Wirth**. The Subcommittee will come to order again. The witnesses this afternoon, starting with the panel we have called before and the next panel that will come up and take the chairs up there, Mr. Littleton, Marcia Ryno, Mr. Kevin Moore, Robert Soule and Dan Zink.

Let us start with this panel. Mr. O'Dowd, speak right up.

### STATEMENT OF THOMAS L. O'DOWD

Mr. **O'Dowd**. My name is Thomas L. O'Dowd, I am the Managing General Partner of the Ketchikan Bowling Center.

I and three others built this center in 1982; the cost of the Center was approximately $3 million. Since that time the Bowling Center has averaged approximately 50 employees per month. We have determined that at least 50 percent of our league and nonleague bowlers are employed in timber. This could be a primary or secondary type of employment and this constitutes approximately $70,000 a month in gross revenue. Each bowler spends approximately $2,000 per year in the Bowling Center and the Bowling Center is dependent on bowlers in timber-related industries in Ketchikan. These include logging companies, equipment companies, construction companies, insurance companies and banks.

Bowling has traditionally been a blue collar sport and in Ketchikan more so than in most areas. We depend on those loggers, pulp mill workers, related workers and their families. Bowling is a relatively expensive sport. Without jobs they will give up on recreational activities, including bowling.

To conclude, when we built the Bowling Center we believed that the United States Government would honor its contracts and obligations with respect to the Tongass National Forest and to the pulp mills. Otherwise we would not have made the financial commitment to our community. It is equally certain that if the proposed Tongass legislation is passed the Bowling Center will not be able to meet those obligations and will be forced to close.

Thank you.

Senator **Wirth**. Thank you very much, Mr. O'Dowd.

Ms. Radergraham.

## STATEMENT OF CORRINE RADERGRAHAM

Ms. RADERGRAHAM. My name is Corrine Radergraham. I have lived in Alaska for 35 years, mainly in Ketchikan. I work with the Superior Court as a Guardian providing for children who have been taken away from their families due to abuse and neglect.

My husband and I provided a home for numerous foster children as well as raising our own. My family enjoys boating, fishing and hunting, scuba diving, canoeing and hiking, beachcombing and other outdoor activities, and we particularly like to berry pick on clearcuts the second year; it is the best berry picking around.

In order to economically feed our large family over the years we have relied heavily on venison, which has been there for the taking, and continues to be there in greater abundance in the past few years.

We have not observed that the timber harvesting has harmed any of these activities, but in fact through the wide system of logging roads provided by the industry has made it easier for us to reach some of our favorite areas. In addition we do not feel that tourism has been harmed, as the tourists enjoy the use of the same roads. Commercial fishing has likewise not been affected by timber harvesting but has declined due to high seas piracy and over fishing.

We want to continue living in southeast Alaska. As the timber industry and other dependent industries are recovering economically that will be possible provided work continues to be available.

Alaska is currently in economic crisis. Any legislation which affects one of our foremost industries negatively will exacerbate that crisis. I oppose any legislation which would harm the timber industry.

Senator Murkowski's bill is the most reasonable approach and I am in complete support of S. 237.

Thank you.

Senator WIRTH. Thank you, Ms. Radergraham.

Ms. Howatt.

## STATEMENT OF NELLIE HOWATT

Ms. HOWATT. Honorable Senators, Ladies and Gentlemen; I am Nellie Howatt and I live and own a business in Thorne Bay, located on the East Coast of Prince of Wales Island.

Today I am privileged to come before this panel for two precious minutes to voice my support of the Timber Industry in Alaska.

I respectfully insist that you and your colleagues do everything possible to reach a compromise, a fair, equitable and permanent solution, before passing legislation that would have a devastating effect on myself, my neighbors and the entire population of southeast Alaska.

Thousands of jobs are at stake in your decision. That might not count for much compared to more densely populated areas but in the Tongass any decline in the forest products industry would adversely affect everyone here today.

Not a single person would be immune to the trickle effect caused by loss of jobs in timber, from our hard-working loggers to our doctors, teachers and government employees. Each would suffer from a decline in one of the largest economic bases in southeast.

Without jobs many of us would be forced to relocate, possibly to your state. Can you say that we would be welcome? Can you handle our employment needs which may include retraining? Can your schools support the influx of thousands of children who cannot quite understand why dad lost his job?

Fact is most of us desire to pursue our livelihoods right here in the Tongass, our forest home, but we are constantly forced to defend ourselves against those elected to serve our best interests, most of whom have never even been in the Tongass.

I appreciate the effort you are making to actually see our forest and listen to its people speak. I hope that you will return to Washington and to your own constituents with a better understanding of this unique place.

Thank you.

Senator WIRTH. Thank you very much, Ms. Howatt.

Mr. Swartz.

## STATEMENT OF STAN SWARTZ

Mr. SWARTZ. Senators, welcome to Alaska. I am Stan Swartz and I have lived in Ketchikan for ten years. I worked for 13 years as a career U.S. Forest Service employee in timber sale administration.

I oppose Senator Murkowski's bill because it does not protect enough of the Tongass National Forest and furthermore it is an affront to my intelligence and personal values.

I support your bill, Senator Wirth, and I thank you for introducing it. Repealing the mandated 450 million annual allowable cut and the 50 year contracts are very important. I urge you to strengthen the bill by granting permanent protection to the 23 key areas.

During my Forest Service career I witnessed complete disregard for fish and wildlife habitat. The policy is to muck it up now and maybe we can fix it later. Countless spawning and rearing streams for salmon are choked with logging debris. When selecting stands for harvest the Forest Service would attempt to mitigate environmental damage through appropriate contract language. Mitigating language is only effective when both the Forest Service and the contractor adhere to the regulation. The pulp mill has a history of paying only lip service to environmental constraints in the 50-year contract. The Forest Service in many cases has no spine and sides with the pulp mill. Based on my experience I believe the 50-year contracts must be terminated and replaced with short-term contracts.

I would not be misled by the pulp mill, the Ketchikan Chamber of Commerce or the Editorial Staff of the Ketchikan Daily News. Reform will bring the Tongass National Forest in line with the National Forest System and reform will not decimate the timber industry in southeast Alaska.

Senator Wirth, I am glad you are seeing through Senator Murkowski's smoke screen and that you know that it is a sham. Your legislation will ensure a Tongass National Forest for generations to come.

Senator WIRTH. Thank you for being here. If there are no questions from the panel let's move to the next group.

Thank you.

Senator MURKOWSKI. I have a question for the last witness, just shorter contracts; now 15 years left——

Mr. SWARTZ. I realize that and realize the legislation that you are proposing may not go into effect for two, three, four or five years and——

Senator MURKOWSKI. What did you have in mind?

Mr. SWARTZ. I have in mind implementing the fixed contract; it is a shorter contract that would affect the national forests around the country.

Senator MURKOWSKI. And that is what term?

Mr. SWARTZ. It varies depending upon——

Senator WIRTH. Now 50 years is unreasonable in your opinion?

Mr. SWARTZ. With the present long-term contract, yes.

Senator MURKOWSKI. My point is it will run out in 15 years. I am just asking for your opinion, if you have one.

Mr. SWARTZ. I do.

Senator MURKOWSKI. What do you feel the contract, if it is going to be renegotiated, what the terms should be?

Mr. SWARTZ. In my opinion it depends on the size of the sale entirely.

Senator MURKOWSKI. Thank you.

Senator WIRTH. Thank you all very much for being with us, we appreciate it.

The next panel of witnesses, Mr. Ronald Littleton, Marcia Ryno, Garrett Davis and Kevin Moore, Robert Soule and Dan Zink.

Now thank you all for joining us.

Mr. Littleton and the others, in fact you have a two-minute slot and you will press the button at the end of two minutes. Thank you all.

## STATEMENT OF RONALD LITTLETON

Mr. LITTLETON. My name is Ronald Littleton. I have lived in southeast Alaska for 22 years. I have worked for South Coast, Incorporated for 12 years, building logging roads, state and federal highways. For nine of these years I have lived on Prince of Wales Island enjoying the fishing, hunting and recreation activities of the area.

I am going to read a poem that expresses my feelings about logging in this area. It was written by Kenney Twitchell of Coffman Cove.

At dusk you can see it from up on the hill. It's a beautiful forest, the trees stand so still.
From the snow capped mountains to the valleys below, then dawn is awakened by a big logging show.
Now a logger is a map with strong will and great pride, that he carries with him deep down inside.
From the yarder he runs to the truck that he drives, and the men in the riggin' each day risk their lives.
Then it's up off the landing and down off the hill, the trucks haul the logs on down to the mill.

Where they make lumber for houses and desks which they write "The Curse Of The Logger" on paper of white.
Which is not made of plastic and not made of tin, it's made from a tree and the wood held within.
They all try to stop us from the forests we log, they say it looks ugly, but what about their cities with the smoke and the smog?
For our air is clean and our water is pure, unlike New York or Miami I'm sure.
As for the glory days of logging the end they say is near. "But old loggers never die, like myths and dreams they just disappear."

Thank you. [Applause]

Senator WIRTH. Thank you very much.

Now we have had some depressing moments and all and we appreciate your being here.

Marcia Ryno.

## STATEMENT OF MARCIA RYNO

Ms. RYNO. My name is Marcia Ryno and I am in road construction. I have lived in the Tongass for 20 years and we raised our family in logging communities.

We moved to Coffman Cove on Prince of Wales Island when we first came to Alaska. The area that was logged at that time is already thick with second growth timber.

My husband has worked as a logger and is now working in road construction on Prince of Wales.

While raising our kids in camp we enjoyed fishing, hunting, the wilderness and scenic beauty and all the while being able to work in the Tongass.

Both my sons have graduated from high school in southeast Alaska and are now working in the road construction building logging roads and raising their families here.

I make my living as a flagger on road construction projects. I have been a camp cook for 15 years, cooking in both logging and road construction camps for up to 55 men at a time. The men I have cooked for are here for the lifestyle, not just the job or especially the working conditions.

If there is no logging and we have to leave, would Senator Wirth be interested in having me come to Colorado to cook for him and if so does he plan to hire the other 500 people I have cooked for as gardeners?

Thank you. [Applause.]

Mr. JOHNSON. My name is Ed Johnson——

Senator WIRTH. I appreciate it but everybody—there are a lot of people who could not come so I really cannot do that. Thank you and I am sorry but it would not be fair to everybody else. If you wait until the end——

Let me jump on if I may—you do understand lots of people who could not testify and it would not be fair. Now you will probably be Number 65.

Mr. Johnson, well, I am sorry, I am sorry, go ahead, why don't you just go ahead and do it right now. I did not realize you were on the list, you are Edwin Johnson?

Mr. JOHNSON. Yes.

## STATEMENT OF EDWIN JOHNSON

Mr. **Johnson**. My name is Edwin Johnson and I live and work here in Ketchikan.

I feel that the timber industry has played a substantial role in developing Southeast Alaska and making it a better place to live. The standard of living that a lot of us enjoy today is a result of their contribution to our economy. A lot of the roads and transportation facilities that we take for granted are in place today because of timber related activities.

I feel that this same timber industry can continue to contribute to the benefit of all of us in the area, provided they are given a chance.

I am here today to tell you that I support our timber industry and I want you to give them the backing they need to stay in business and continue to benefit our community.

As far as the timber itself goes I feel that it is a renewable resource and should be treated as such. I think that it is in the best interest of the country to utilize its resources to the fullest. To utilize timber as a renewable resource it has to be managed and I think both the timber industry and the Forest Service have done commendable jobs in that respect.

As a parting comment I would like to request that the committee Members do the unpolitical thing and do not mess up something that has been—let me go back.

As a parting comment I would like to request the committee members do the unpolitical thing and do not mess up something that is reasonable, that produces something and has benefited virtually everyone in the community.

Thank you.

Senator **Wirth**. Thank you very much.

Mr. Moore.

## STATEMENT OF KEVIN MOORE

Mr. **Moore**. My name is Kevin Moore. I own a home at Coffman Cove on Prince of Wales Island and I work for a construction company engaged primarily in road building in Southeast Alaska.

The timber industry is essential to the survival of the communities on Prince of Wales Island, Ketchikan, Sitka and several other areas of southeast Alaska.

It is also essential to protect our wildlife and preserve a portion of our wilderness which Alaskans have been blessed with in abundance.

Both of these goals can be met by environmental groups and industrial groups reaching a compromise. Both sides have to give to ensure the survival of those of us that call Alaska home.

Thank you.

Senator **Wirth**. Thank you very much, Mr. Moore.

Mr. Soule.

## STATEMENT OF ROBERT SOULE

Mr. **Soule**. Mr. Chairman, members of the committee; my name is Robert Soule. I am employed by a construction company. I was born and raised in Ketchikan and have been a resident for 28 years.

The new legislation under proposal will drastically affect our lifestyle. We are totally dependent on a continuing timber supply. The timber industry has brought the only stable and year-around economy to southeast Alaska.

We have built and invested in a strong industry. Our stable employment depends on a secure supply of forest products.

Thank you.

Senator WIRTH. Thank you very much, Mr. Soule. We appreciate your perspective.

Mr. Zink.

## STATEMENT OF DAN ZINK

Mr. ZINK. I have been a resident of southeast Alaska for close to 46 years, born and raised here. I am not an expert on anything yet but I am just one of the many people who know a little bit about quite a few things.

Growing up here in the southeast for me means doing things in the out-of-doors, in the woods and on the water and in the air. As a kid growing up my three brothers and I did the things that kids used to do in the out of doors, camp, hike, fish, shoot 22s and just plain have fun getting dirty and hurt.

My dad was a small contractor and us kids helped him after school and on weekends if he could catch us. Life was good I guess, we did not have a lot of money but did not lack for much except maybe a TV set and a pickup truck that would start when it was supposed to.

We had a lot of fishermen friends in Ketchikan and my dad worked on their homes primarily doing foundations and outside concrete work. Dad had made many fishermen friends while working on the fishtraps here in southeast.

Time went by and the pulp mill moved into town and as a youngster it did not impress me too much, except that us boys had to work with dad pretty steady now because he was getting a lot of work related to the pulp mill and we got a new TV set and a pickup truck that was pretty reliable.

I graduated from high school and after military training went to work for Halvorson Tugs, towing log rafts to Ketchikan and fuel barges to camps. After that I went to work for the Forest Service in the Engineering Department and lived in tent camps from Hydaburg to Whale Pass locating and surveying roads. At that time there was no road up the length of Prince of Wales Island. It was a long hike from Control Lake to salt water, a real beauty in those days.

Dad was gone and my brother Jim and I were contractors, we have done pretty well, raised our families and continue to hunt, fish and play with them here in Southeastern Alaska. Without a doubt we have derived a large part of our livelihood from the timber industry.

Sure I feel remorse to a certain extent when I look at a clearcut but I also feel like an intruder when I paddle a canoe into a cove and scare up birds or a bear runs off to hide or walking up to the edge of a lake and a beaver slaps its tail and dives in the water. I am not an expert on it but I know that with a little care, planning and patience, like these animals, the trees will return.

Senator WIRTH. Thank you, Mr. Zink. Very nice statement.

Now we all thank you very much, we appreciate your being here. Thank you ever so much.

Mr. Johnson, the same for you for your patience until we got all squared away.

Senator MURKOWSKI. Mr. Chairman, while we are waiting for the next group there is a wilderness article and stumpage prices——

Senator WIRTH. Without objection we will put that in the record.

Now if the next panel will join us, Mr. Steve Shull, Doug Dalgren, Michelle Bonet, Jeff Sloss and Renee Shewey, our next panel and then on deck will be Mr. David Woodie, Pauline Lee, Sara Hannan, Steven Kallick, Judy Brakel and Ed Lapeyri.

All right, we are going right now to Steve Shull, as our lead-off man. Steve.

## STATEMENT OF STEVE SHULL

Mr. SHULL. My name is Steve Shull, a 30-year resident of Ketchikan, born and raised.

For 20 years I have been in the field. I am just another taxpayer of this great system our country has here. I cannot understand why you, Mr. Wirth, want to change the Tongass Forest Agreements of 1980 when it certainly could not have had a chance to work in only nine years. Come on, give it a chance; do not try to make me and others like me live in turmoil in a vast wilderness none of us want. Wilderness cannot make my friends, my family or me a living. Can it make you a living, Mr. Wirth? I suppose it would one way or another.

Come on, let this forest be prosperous.

Senator WIRTH. Thank you very much, Mr. Shull.

Mr. Dahlgren.

## STATEMENT OF DOUG DAHLGREN

Mr. DAHLGREN. Mr. Chairman, I am Doug Dahlgren and I live 80 miles southwest of Ketchikan, Alaska. I am a road builder from Long Island with a population of approximately 250.

I have been in the business most of my adult life and in Alaska on and off since 1975. During that time I have seen many unwanted changes within the timber industry. It would be nice if the people could count on our government to protect our livelihood instead of taking away the necessary resources to survive in the country.

On Long Island we log native timber that will soon be a commodity of the past and the Alaskans will need to depend entirely on the Forest Service timber sales to live in southeast Alaska.

I think the legislators need to realize that we have more than enough wilderness and we certainly do not want to see the timber harvest curtailed in any way. We must assure the harvest and regeneration of Alaska's timber in order to secure the economy for Alaska's future generations.

Originally I am from Montana and I have seen the impact on logging communities and the toll it takes on hard-working people. In fact I have seen families lose everything they have worked for all their lives and Senator Burns can confirm that, that the Montana loggers are being strangled today by the environmentalists and the legislation. I believe in rules and regulations but not to the point that people cannot stand up under the pressure.

Thank you.

Senator WIRTH. Thank you very much, Mr. Dahlgren.

Michelle Bonnet.

## STATEMENT OF MICHELLE BONNET

Ms. BONNET. My name is Michelle Bonnet and in August of 1987 I had the great pleasure of climbing Holbrook Mountain on the east side of Kosciusko Island. Now that hike was one of the most wonderful experiences of my life. Holbrook is beautiful and unique. On that one small mountain are contained all the perfect elements of a mountain, first the classy mossy old-growth woods, then the muskegs with baby bear prints in the mud, then the thick scrubby pine that is a struggle to climb through, then the steep rock and finally the beautiful, wonderful small peak, from which you can gaze all around Sea Otter Sound.

On that small peak, an owl had been sitting there before we came along and there was also a deer bed and many well-traveled deer trails most of the way up the mountain.

There are plans to cut the timber on Holbrook and there is also this bill that Senator Wirth has introduced that will grant at least some protection to the Mount Holbrook Area. I urge you to pass this bill and also to strengthen it so that this magical, full-of-life place will never be cut.

I was born in Alaska and grew up here. I spent six years of my childhood on the west coast of Prince of Wales Island. I have already seen too many parts of Sea Otter Sound clearcut and roaded. I remember as a child going to Deweyville to explore. I also remember perfectly the moment I rounded the point coming into Sarkar Creek and was hit with the brand-new view of that huge, ugly, completely out-of-place bridge. The roads had once again reached a favorite place.

Sea Otter Sound and the rest of Prince of Wales have seen enough of this large-scale logging and road building. Why is it necessary to do more damage?

I support fully the cancelling of KPC and APC contracts. These companies have only their profits in mind and not the best interests of southeast Alaska or its residents. I also support Senator Wirth's bill and hope it is passed so that this National Forest can receive the protection it deserves.

Senator WIRTH. Thank you, Michelle.

Mr. Sloss.

## STATEMENT OF JEFF SLOSS, ALASKA DISCOVERY, INC.

Mr. SLOSS. My name is Jeff Sloss and I work in the tourism industry. I have with me a letter signed by 180 Juneau residents that were disappointed that the hearings were not held in Juneau and I would like to submit that for the record and I will now begin my testimony.

I have worked as a guide for Alaska Discovery, a wilderness guiding company, for the seven years and have lived in southeast Alaska for ten. Alaska Discovery is the oldest outfitted guide in the Tongass, operating trips for 17 years around southeast Alaska, based from a dozen communities.

Our company strong opposes 237 and is fully supportive of S.346 and we thank you Senator Wirth for its introduction.

We favor seeing management of the Tongass shift from heavily subsidized large-scale timber harvesting to a more balanced and economically sound program which would include diversified smaller logging operations, conventional short-term competitively-bid sales, along with wildlife and recreational management.

Current Forest Service policy has our tourism business paying three per cent of its adjusted gross income up front to the Forest Service in permit fees while the $40+ million subsidy to the timber industry helps log some of our key recreational-use areas and in fact the Forest Service now charges more to take one person into the forest to look at the trees for one day than it charges the pulp companies for a thousand board feet of virgin timber.

Alaskan Wilderness experience is the single largest drawing card for the visitor industry in Alaska and as Dale Pihlman put it this morning, the number one attraction is our Inside Passage. The industry is second only to the oil industry in this state and that will only last and will be second for another decade and now I will look at some of the wilderness desires in southeast but S. 346 identifies the 23 smaller special value areas that are important to many southeast Communities and visitors.

Alaska Discovery depends upon many of these areas for their wilderness values, including the Pt. Adolphus-Mud Bay Area which at this point is our most popular trip in the Tongass.

I will sum up: The timber supply will still be available, we just want to protect the old growth which under Forest Service management is not a renewable resource.

We strongly support your Bill 346 with the addition of permanent protection as wilderness for the 23 areas.

Thank you.

Senator Wirth. Thank you, Mr. Sloss, we will include your statement in full in the record.

[The prepared statement of Mr. Sloss follows:]

ALASKA DISCOVERY
369 South Franklin Street • Juneau, Alaska 99801 • (907) 586-1911

TESTIMONY OF JEFFREY SLOSS, ALASKA DISOVERY, INC.

on S. 346 - the Tongass Timber Reform Act

My name is Jeffrey Sloss. I have worked as a guide for Alaska Discovery for the past 7 years and have lived in southeast Alaska for 10 years, working first with the State's Natural Resources Dept. on National Forest land selections and later with the Forest Service in Recreation and Lands on the Juneau District. My next position was Lands planner for the City and Borough of Juneau followed by consulting work on various lands-related projects in Juneau.

However, for most of the last decade I have worked summers as an outdoor recreation guide in many of the spectacular wilderness areas of the Tongass National Forest. These include Admiralty Island National Monument, Russell Fiord, Stikine-LeConte, Tracy Arm/ Fords Terror and West Chichagof-Yakobi Island Wilderness areas.

Alaska Discovery is the oldest outfitter/guide permit holder on the Tongass National Forest, operating trips for 17 years around southeast Alaska, based from the communities of Ketchikan, Wrangell, Petersburg, Sitka, Angoon, Tenakee, Hoonah, Gustavus, Pelican, Juneau, Haines, Skagway and Yakutat.

Our company is fully supportive of Senator Wirth's Tongass Timber Reform Act (S. 346) and we thank you for introducing it. We favor seeing management of the Tongass shift from heavily subsidized large-scale timber harvesting to a more balanced and economically sound program which would include diversified smaller logging operations along with wildlife and recreation management. Therefore we support S. 346; the repeal of sections 705(a) and 705(d) of ANILCA, and cancelation of the two 50 year timber contracts, replacing them with conventional short term, competitively bid sales.

Commercial and non-commercial recreation demand on the Tongass has soared since 1980. Even the vast Juneau Icefield, 1500 square miles of permanent glaciers and snowfields, has recently been zoned by the Forest Service into 10 recreation management areas. Forest Service figures (RIM) indicate an overall increase of 100% in recreational use on the Tongass between 1975 and 1983. Tourism and recreation is now second only to State government in the number of jobs provided in southeast Alaska. Alaska Discovery's business has grown by over 300% in the past 8 years.

There is still tremendous growth potential for a long term visitor and resident recreation industry on the Tongass; if we can reform management of the Tongass. Current policy has our tourism business paying 3% of its adjusted gross income up front to the Forest Service in permit fees, while a 40 + million dollar subsidy to the timber industry helps log some of our key recreational use areas. In fact, the Forest Service now charges us more to take one person into the forest to look at the trees for one day than it charges the pulp companies for 1,000 board feet of virgin timber (roughly $3.00 versus $2.00).

Our industry can last forever, as the demand continues to grow for the Alaska wilderness experience, as long as we have an adequate supply of the rapidly disappearing high volume old growth forest on which our business depends. These are the areas that support the most vital fish, wildlife and recreation habitat, which visitors and residents come to see and this is why S. 346 should be strengthened to grant permanent protection for the 23 key areas.

Our company has also suffered directly from large-scale timber harvesting and road building activities, as in the 3 examples that follow:

1) Alaska Discovery had to abandon one of the best paddling trips in southeast Alaska, between the communities of Tenakee Springs and Hoonah, following large-scale clear-cutting of the forest along the shore in the mid to late 1970s. The visible and audible impacts of large clearcuts, logging roads and operations adjacent to this water route made the trip unenjoyable, hence we ceased it's operation. The Tenakee Springs town council has since passed several resolutions opposing additional timber harvests, yet council members are repeatedly told by Forest Service staff that they have "no choice;" ANILCA dictates that new timber must be offered each year.

2) In 1984, Alaska Discovery joined as a plaintiff in the suit Sierra Club et al. to prevent the Forest Service from pre-roading the Berners Bay area north of Juneau. This area is of prime recreational importance to residents of Juneau, visitors and tourism businesses like our company. As documented in the affidavit of our company president, the Forest Service repeatedly admitted that the timber was of such low quality that it would probably not sell, even with $5 million of pre-roading dollars from the Tongass Timber Supply Fund. When asked why these pre-roading dollars were being spent, Juneau District Ranger Jack Blackwell stated "Quite frankly, we have no choice, or flexibility, not to

proceed." Blackwell went on to explain that Section 705 of ANILCA compelled the agency to offer so much new timber volume each year, regardless of the marketability.

3) Alaska Discovery has conducted fishing and wildlife viewing adventures in the Yakutat Forelands area - an area initially considered for Wilderness designation under ANILCA, it is currently scheduled for large-scale roading and clearcutting using Tongass Timber Supply Fund dollars. This area holds tremendous values as a roadless fishing, wildlife and recreation area which would be lost if the subsidized logging was to proceed. However, while sec. 705 of ANILCA remains in effect, Alaska Discovery cannot commit the additional marketing and equipment investment needed to sustain commercial operations on the Yakutat Forelands.

Alaska Discovery depends on many of the 23 areas listed in S. 346 such as: Berners Bay, Chichagof, Kadashan, Trap Bay, Yakutat Forelands, Pleasant and Lemesurier Islands and the Pt. Adolphus-Mud Bay area. In fact, the Pt. Adolphus area, the gateway to Glacier Bay National Park, is now our most popular trip in the Tongass.

Current Wilderness withdrawals cannot, in many ways, support the visitor industry because they consist largely of inaccessible icefields and mountains. Only 9 percent of the highest volume old growth of the Tongass is designated as Wilderness. Alaska Discovery tried for 5 years to market summertime icefield cross-country skiing trips, and still operates a few mountaineering classes to local residents. The three fourths of the designated Wilderness in the Tongass that is rock, ice, and muskeg no doubt has it's charm, but the vast number of visitors want to see the grand old growth forest and the wildlife populations which have made the Tongass famous.

Too many outfitters, wilderness lodges, fishing and hunting camps, private boaters and campers, and tour operators are attempting to squeeze into the relatively few unspoiled areas which remain in the forest. Our company believes that Congress must recognize that current wilderness designations on the Tongass do not protect enough of the key wildlife and recreation use areas from large-scale timber operations. Therefore it is vital that S. 346 be strengthened to grant permanent protection as wilderness for the 23 key areas listed in the bill.

A 1986 study conducted by the Forest Service & the Alaska Division of Tourism surveyed all of the Tongass-permitted outfitters, lodges, charter operators and recreation businesses in southeast Alaska. When asked what factors increased the desireability of their services, the respondents unanimously gave the highest rating to "designation as Wilderness".

Tourism and particularly recreational tourism is the fastest growing industry is southeast Alaska; an overall growth rate of 5% annually ('86 grew 12%, and '87 too!) Tourism is the #2 industry statewide, second only to oil for probably less than 10 years. Alaska Dept. of Labor statistics reveal that visitors to southeast Alaska have been steadily increasing as have the number of direct jobs in tourism. Since ANILCA was passed, employment in recreational tourism has more than doubled. In fact, jobs in tourism have surpassed timber jobs by an increasing margin each year this decade.

Summary:

The tourism and recreation industries are growing and are paying their own way on the Tongass National Forest. Ours is a stable and sustainable industry over the long term, and presently returns 3% of adjusted gross income to the Treasury for access to Federal lands. The current timber industry is heavily subsidized by the taxpayers and is largely regarded as a sunset industry. After the best of the old growth is logged over the next 5 - 15 years, it is unlikely the current subsidized timber and pulp industry will remain in southeast Alaska. In the mean time, federal subsidies and mandates impair the growth potential of tourism and threaten to remove the "wild" image which bring visitors to southeast Alaska. Alaska Discovery supports S. 346 and the permanent protection as Wilderness of the 23 key special value areas.

Senator WIRTH. Renee Shewey.

## STATEMENT OF RENEE SHEWEY

Ms. SHEWEY. Renee Shewey of Coffman Cove. Mr. Chairman, we do not support your legislation. I feel that every single member and their families in the logging communities—my family moved to Alaska from Oregon about three and a half years ago. Before moving to Alaska our lifestyle consisted of food stamps and many bills and federal handouts, if you will. In fact we could not even find a job pumping gas and in contrast we now have a future, we have a comfortable home, we have food that we bought and paid for and we pay our bills. We are paying taxes instead of living off them.

My 14-year old is a straight-A student instead of smoking and drinking; he is involved in the battle of books, spelling bees and lots of writing. We have high school students who take it upon themselves to organize camp clean-up, a camp where kids of all ages get involved, in not games but clubs with good purposes in mind. When is the last time kids in your neighborhood did something like that?

We have to shoo the deer population from our gardens; we have black bear that visit us much to my chagrin. We live here where we can watch the ugly clearcuts grow to lush dense forests. My husband has more self-confidence in himself than ever before. Our life is almost perfect. We thought we had a piece of the American Dream but there is a dark cloud over us, this dark cloud is a group of people who, under guise of the environment are saying we do not belong here. They lie about the animals and the habitat being taken from them. They take pictures of muskeg and pass it off as clearcut. These environmental groups are clogged up and already overloaded and just to make logging operations go broke waiting.

Where is the justice in that? There are second and third generation families working here. Our story is not so unique. There are so many stories of survival here. Reader's Digest and Sports Illustrated are missing some great opportunities for some real stories Please don't write us off as non-consequential, we just want to continue to live the lifestyle we chose.

If a bill must be passed let it be S. 237 and with this testimony I am also submitting statements of people of Coffman Cove [1] who could not be here.

Senator WIRTH. Thank you very much.

All of you, thank you very much. [Applause.]

We have had some really super statements this afternoon and that ranks right near the top, Renee. Thank you very much, all five of you, we really appreciate your being here.

Senator Murkowski.

Senator MURKOWSKI. Well I think this guy probably as much as any other represents genuine concern on both sides of the issue and of course sends the message to the three of us who represent the rest of our colleagues and take the responsibility to try and resolve this because I do and we can both see we are worlds apart in relationship to our own individual views. We of course appreciate and are sensitive to and I know that I have taken one side of the issue and bear the responsibility for taking that side of the issue.

---

[1] Statements retained in subcommittee files.

My colleague, Senator Wirth, has taken the other side of the issue and we are obviously going to have to be held responsible as we address and resolve and one of the things about legislation is that we all know Senator Burns is more often than not kind of like compromise, say like sausage. No one wants to see sausage being made but it is part of the process.

Michelle indicated her concern and the beautiful mountain I can recall, having seen as a child with my mother, a great accomplishment, yet the realization that people have to live—Michelle, you did not indicate your particular affiliation but it is important that people obviously have a lifestyle and the gentleman from Alaska discovers there is a job to do in this tourism in Alaska and wants to see Alaska in its pristine state, even though it is a seasonal situation. It is a very dramatically-growing industry and I just want to point out one thing more, Mr. Chairman, that the difference of opinion that exists here has been so eloquently expressed by the witnesses.

Senator WIRTH. I agree with you, that was a great cross section. We had a good audio-video tape of everybody watching.

Senator MURKOWSKI. At some point in time we will have to make a decision.

Senator WIRTH. All right, moving right along, the next panel, David Woodie, Pauline Lee, Sara Hannan and Steven Kallick, Judy Brakel and Ed Lapeyri and on deck, if you would move in, Jim Byron, Gary Robinson, Pauline Green and Tom Winter, J.C. MacMillan and Richard Burrell.

Why don't we start with all of you, Mr. Woodie here?

## STATEMENT OF DAVID WOODIE

Mr. WOODIE. My name is David Woodie and for the past thirteen years I have lived and worked in the woods in southeast Alaska. I have worked in a lot of different camps and am pretty familiar with the timber industry here. Contrary to the industry propaganda, the corporations working on 50-year contracts have not lived up to their end of the bargain.

Anyone who has lived for long on Prince of Wales can tell you how the two pulp corporations consolidated their monopoly of the timber industry in the 1960s. A civil judgment brought against them for anti-competition practices amazingly led to no criminal charges. Apparently they are above the law.

Corporate giants act like absentee landlords. A few years ago when Louisiana Pacific planned to restart the logging camp at Little Naukati local people were told we could no longer use the dock. I had been using the dock for ten years. For residents of the area it was the only access to the Prince of Wales road system. Contractors pursuing forestry work had rented trailers from former residents of the camp. They were simply told to vacate immediately as the camp would be razed to make room for new construction. This occurred on public land.

Long term sale holders are granted exclusive rights to virtually all green, standing timber. Local operators can log only blowdown or other salvage timber. When local people need small timber sales or personal use permits they are told that long term sale obligations leave no budget or personnel for other timber sales. Local loggers have difficulty getting sales put up for bid, or administered adequately for this same reason.

Every effort in which I have been involved, either to establish a consistent small sales program or to protect non-timber resources has come up against the same wall. In all things at all times the long term sales come first, usually to the exclusion of other interests. This is not multiple use.

A final note; I do not feel that a piece of land is locked up when I or anyone else can go there to fish or hunt or do any of the other things that are part of the freedom offered by wild places. These places belong to all of us, and birds and bears included. That freedom means a lot more to me than the freedom to rob and exploit. I would rather have these places and no money than the opposite. I support the Wirth Bill wholeheartedly. [Applause.]

Senator WIRTH. Pauline Lee.

A VOICE: Pauline Lee is not here.

Senator WIRTH. Sara Hannan.

### STATEMENT OF SARA HANNAN

Ms. HANNAN. Thank you for this opportunity to share my support for Senator Wirth's bill on the Tongass Timber Reform Act.

I am a life-long Alaskan and I currently live in Juneau where I work in private competitive business. Length of residency should not have any bearing on national policy discussion but on the last frontier time in residence often equates directly to the respect of your opinions.

Fundamental tenet of decision-making in a democracy is that reasonable people can evaluate the same body of evidence but still reach different conclusions. With regard to the Tongass Timber Reform Act we need to ask ourselves, who are these reasonable people and what are the different conclusions?

Corporations are not reasonable, they are profit-driven entities. Their sole priority is to make money and pretense they raise about concern for jobs for Alaskans is only ornamental. They are not concerned about Alaskans working in the timber industry; they want big trees for small money that can be chewed up into pulp or cut into cants and sold to overseas manufacturers at enormous profits.

Alaska has long been the destination of every greedy exploiter of national resources but greed is not a commitment to the future of the environment or the economy or the people.

If you were truly concerned about Alaskan jobs, America's last temperate rain forest, and the balance of fair trade, I urge you to support Senator Wirth's bill reforming Tongass Management. It is simple economics that a competitive free market industry cannot develop as long as the major players get major breaks.

Sound public policy cannot allow a valuable ecosystem that sustains many diverse industries, such as tourism and commercial fishing—granted the old growth of Tongass must be granted protection by law not just a temporary moratorium. If the prime old growth stands with roads and surveys paid for by U.S. taxpayers are seemingly the only economical areas to harvest then the economy is false and we are being cheated.

The current management practices of the Tongass National Forest must be reformed. Senator Wirth's bill makes reasonable changes that reasonable people can live with, work with and grow old with and I would also like to submit letters for support of Senator Wirth's Bill from Alaskans in Juneau, Haines and Petersburg.

Senator WIRTH. Thank you very much, Ms. Hannan. Mr. Kallick.

[The prepared statement of Ms. Hannan follows:]

GOOD AFTERNOON LADIES AND GENTLEMEN.
THANK YOU FOR THIS OPPORTUNITY TO SHARE MY SUPPORT FOR SENATOR WIRTH'S TONGASS TIMBER REFORM ACT WITH YOU. MY NAME IS SARA HANNAN, I LIVE IN JUNEAU, AND I AM A LIFE LONG ALASKAN. IN OUR UNITED DEMOCRACY LENGTH OF RESIDENCY SHOULD HAVE NO BEARING ON NATIONAL POLICY DISCUSSIONS, BUT ON THE LAST FRONTIER TIME IN RESIDENCE OFTEN EQUATES DIRECTLY TO RESPECT OF OPINIONS.

I HAVE SPENT MOST OF MY LIFE ACTIVELY INVOLVED IN PUBLIC POLICY DEBATES WORKING WITH THE FULL GAMET OF ALASKAN POLITICIANS FROM THE CONSERVATIVE U.S. SENATOR TED STEVENS TO THE MOST LIBERAL, FORMER STATE SENATOR VIC FISCHER. A FUNDAMENTAL TENET OF DECISION MAKING IN A DEMOCRACY IS THAT RESONABLE PEOPLE CAN EVALUATE THE SAME BODY OF EVIDENCE BUT STILL REACH DIFFERENT CONCLUSIONS. WITH REGARD TO THE TONGASS TIMBER REFORM ACT, WE NEED TO ASK OURSELVES .... WHO ARE THESE REASONABLE PEOPLE? WHY ARE THERE SUCH DIFFERING CONCLUSIONS?

CORPORATIONS ARE NOT REASONABLE. THEY ARE PROFIT DRIVEN ENTITIES. THEIR PRIORITY IS TO MAKE MONEY. ANY PRETENSE THEY RAISE ABOUT CONCERN FOR "JOBS" FOR ALASKANS, IS ONLY ORNAMENTAL. PULP MILLS ARE NOT CONCERNED ABOUT ALASKANS WORKING IN THE TIMBER INDUSTRY... THEY WANT BIG TREES FOR SMALL MONEY, THAT CAN BE CHEWED UP INTO PULP OR CUT INTO CANTS AND SOLD TO OVERSEAS MANUFACTURERS AT ENORMOUS PROFITS.

SINCE RUSSIAN FUR TRADERS ARRIVED HERE IN THE 1700S, ALASKA HAS BEEN THE DESTINATION OF EVERY GREEDY EXPLOITER OF NATURAL RESOURCES. GREED IS NOT A COMMITMENT TO THE FUTURE OF THE ENVIRONMENT OR THE ECONOMY.

IF YOU ARE TRULY CONCERNED ABOUT ALASKAN JOBS, AMERICA'S LAST TEMPERATE RAIN FOREST, AND THE BALANCE OF FAIR

TRADE. I URGE YOU TO SUPPORT SENATOR WIRTH'S BILL REFORMING TONGASS MANAGEMENT: IT IS SIMPLE ECONOMICS THAT A COMPETITIVE, FREE MARKET INDUSTRY CANNOT DEVELOP AS LONG AS THE "MAJOR" PLAYERS GET MAJOR BREAKS.

SOUND PUBLIC POLICY CANNOT ALLOW A VALUABLE ECOSYSTEM THAT SUSTAINS MANY DIVERSE INDUSTRIES -- SUCH AS TOURISM AND COMMERCIAL FISHING -- TO BE DESTROYED. THE VIABLE AND FRAGILE OLD GROWTH OF THE TONGASS MUST BE GRANTED PERMANENT PROTECTION BY LAW, NOT JUST A TEMPORARY MORATORIUM. IF THE PRIME OLD GROWTH STANDS, WITH ROADS AND SURVEYS PAID FOR BY U.S. TAXPAYERS, ARE SEEMINGLY THE ONLY ECONOMICAL AREAS TO HARVEST -- THEN THE ECONOMY IS FALSE AND WE ARE BEING CHEATED.

IF OLD GROWTH IS UNPROTECTED, SO ARE SALMON STREAMS UNPROTECTED. AND SO IS THE HEART OF THE FOREST WHICH MANY ALASKANS LIVE OFF OF. AND AS CLEARCUTS BECOME COMMON SCENERY, OUR GROWING TOURIST INDUSTRY WILL DISAPPEAR.

THE CURRENT MANAGEMENT PRACTICES OF THE TONGASS NATIONAL FOREST MUST BE REFORMED. SENATOR WIRTH'S BILL MAKES REASONABLE CHANGES THAT REASONABLE PEOPLE CAN WORK WITH....FISH WITH....LIVE WITH....GROW OLD WITH.

## STATEMENT OF STEVEN E. KALLICK

Mr. **KALLICK**. Senator Burns, thank you for coming here to visit us in Tongass. Senator Murkowski, welcome back.

My name is Steve Kallick, I live in Juneau and I work for congress reform but I am testifying on behalf of myself.

Senators, up until recently, today, you have not been hearing a fair cross section of the different opinions of people of the Tongass. We are not all here just for a paycheck; many of us live here because we love this land as it is. The Tongass is our home too and in fact some of the people who dare to speak out and testify in favor of Tongass Reform actually risk their jobs by speaking out. There are many more who stand up to harassment and abuse and must endure personal attacks on themselves in the newspaper here in Ketchikan and hundreds sit at home today and listen to the radio, excluded from this hearing. The last minute changes in the sign-up rules—I beat the odds but others were not so lucky. I told them, trust this process to be fair but unfortunately I was wrong and I am sorry for them.

Senator Murkowski, I am also sorry that your mind is made up on this issue, I am sorry that you continue to ignore hundreds of letters, perhaps thousands, from Alaskans that support Senator Wirth's bill. I am sorry you think only Sitka, Ketchikan and Wrangell are affected by logging. People in Juneau and other communities and places like Point Baker, Pelican, Hoonah, Angoon, Shakan, Yakutat and Fanshaw—and you know I could go on, strongly disagree with you.

With all due respect, Senator, you are wrong and the majority of the people in the Tongass support Tongass reform.

Senator Wirth, thank you, and 25 other Senators who support your bill, please amend it to protect all areas permanently as wilderness.

Senator Burns, please enjoy your visit to our beautiful land and Senator Murkowski, believe this, you can deprive us of our seats, you can squelch public debates but we will not go away. Remember the Tongass is our home too.

Thank you. [Applause.]

Senator **WIRTH**. Thank you very much.

[The prepared statement of Mr. Kallick follows:]

## STATEMENT OF STEVEN E. KALLICK

JUNEAU, ALASKA

Testimony Before the United States Senate
Energy and Natural Resources Committee
Subcommittee on Public Lands, National Parks and Forests
April 24, 1989

Mr. Chairman and Members of the Committee:

I consider myself exceptionally lucky to sit before you today, with two minutes of your attention and a chance to speak out as one of "the people of the Tongass." You have heard from some of the people of the Tongass today; tomorrow in Sitka you will hear from some of the others. But, tragically, you will not hear from them all. Nor will you, in a few short days, get to know the people and the place as we do, we who make this phenomenally beautiful land our home, we who will live here the rest of our lives.

Contrary to what you might think from the public testimony today, there are thousands of people living here, either in rough-hewn cabins in isolated coves or comfortable apartment buildings in Juneau, who did not come to Alaska just for a job. They too are the people of the Tongass, but you will not hear them say they will pack up and leave if we fail to subsidize, pamper and protect their particular choice of employment.

If you were to travel Southeast Alaska, from village to village and home to home, as I have over the last five years, you would find that some of the people of the Tongass are here simply because they love this land, the ancient trees, the cry of a raven at dawn, the shimmer of the sea, and the dark shape of the brown bear traversing a distant tideflat. They love this land so much they will do any work or live without work, without televisions and new pickup trucks, without winter trips to Hawaii, without the comforts of modern life and guaranteed paychecks.

These people of the Tongass will stand up to the last of the robber barons, who run the pulp mills here and in Sitka; they will speak out against the decimation of the old-growth forest, of abuse of resources and of people, even if it costs them their jobs. They will stand up for the Tongass even if it means they must endure mean-spirited personal attacks and bullying from Lew Williams, posing as considered editorial opinion in the Ketchikan Daily News.

These people of the Tongass care enough to write you in favor of Tongass reform, supporting the efforts of Senator Wirth in careful, heartfelt personal pleas. You have hundreds, perhaps thousands, of their letters in your offices in Washington. But will you hear a fair representation of these brave people of the Tongass today? Sadly, thanks to the best efforts of Senator Murkowski, the answer is no.

I am lucky. To get this seat I took time out of my busy day and followed Senator Murkowski's ground rules. I wrote a personal letter, signed it and mailed it well before the deadline. I called others who would surely have wanted to testify and urged them to write also. Some who live in distant, remote fishing towns could not get a letter sent in time. I told them Senator Murkowski's office would put each on a list if they called in person. I know that people line up on the dock in Point Baker to use the community phone and I imagined them calling in one by one. Others must have called in by marine radio, since they were out on fishing boats during the sign-up period. Some of the people of the Tongass travelled miles by skiff or even on foot to find a telephone and get on the list. That shows how much they care about the Tongass and how much they wanted to tell this Committee.

Senator Murkowski, lots of those people asked me what we were doing to make sure that everyone got a fair chance to testify. They said they did not trust you or your office to play by the rules. But I know you, sir. I have worked with you and your staff in Washington for years. So I defended you before the doubters and promised that even though you have taken an extreme position in the Tongass management debate, you would behave as a Senator for all of the citizens and hold everyone to the same rules. I believed you were fair and swore it to others.

But here I sit today, in a hearing you rigged to make it seem like all the people of the Tongass want to cut it down for money. And I among all those I talked to am alone in this seat, trying to speak for everyone you excluded by changing the rules at the last minute. What can I say to them but I am sorry I trusted you. After hearing you say for years how unfair it is to move Tongass reform legislation without hearing from the people of the Tongass, I still cannot believe that you are trying to present Southeast Alaska in a, like a false front town in a Hollywood western, where everyone works in a pulp mill and nobody wants to save Lisianski, Kadashan, Naha, Karta, Nutkwa, Sarkar Lakes, Chuck River, Duncan Canal, or Kuiu Island for their children.

Senator Murkowski, for years you have been ignoring the voice of lots of people of the Tongass. And as the roads and clearcuts march across each island the voices get louder. When hundreds of letters come to your office from your own constituents, asking you to protect some of the Tongass, you say that the real people of the Tongass are too busy working to write. But when you get a company petition from Wrangell, you wave it around as proof of your cause. When your own biased opinion polls show a majority support your logging promotions, you trumpet the results as truth. But when Sealaska Corporation polls the people and finds a clear majority supporting Tongass reform, you discount the validity of polls. And now, Senator Murkowski, you demand a hearing to give all the people of the Tongass a chance to speak, but you change the rules at the end to cheat those who disagree with you of their right to speak out.

Senator Wirth, I know you are a wise and courageous statesman. I thank you deeply for your help and interest in saving a little bit of this incomparable place. Words alone cannot express the gratitude we have for you. I hope you enjoy your travels in Southeast Alaska and return to stay with us many times. You will always be welcome in our homes.

Senator Murkowski, you may have succeeded in stacking this hearing and silencing a few voices for the moment, but it will not last. You can try to ignore us but we will not be ignored. You can gag us to keep us from speaking, but even then our silence will speak truths louder than all your endless filibusters and harangues. The voices of all of the people of the Tongass, people who love it just as it is, will not be silenced. We will not go away.

Senator **Wirth**. Now I would like once again to remind our audience that everybody here is a guest of the committee. While we appreciate your shows of enthusiasm one way or another it does not really fit the purposes of the hearing process.

Now Judy Brakel, is that right?

## STATEMENT OF JUDY BRAKEL

Ms. **Brakel**. I thank you for your work and his co-sponsors for introducing their Senate Bill 346 and ask that it be strengthened by permanent protection to the 23 areas proposed for a moratorium.

If these hearings were in Petersburg where I grew up or in Juneau where I now live, the room would full of people who want to see a change and I can tell you that since the oil spill people have become a lot less silent and passive, Senator Murkowski, about the ecological destruction of Alaska.

My family has lived in southeast Alaska for generations and as a kid I traveled by boat all around Southeast for years. Now my sons fish salmon and my husband and I spend summers working as wilderness guides, we guide visitors who want to see raw places, not logged off country and roads so logging is rapidly reducing the places where we can do trips but protecting our livelihood is not why I am here.

Most of the people here supporting the present system never saw the country before the logging. Cut over country looks natural to them. For myself the massage logging affects me too deeply and thinking about it produces a feeling of sickness, like thinking about the oil spill. The logging is slower than the oil spill but every bit as destructive because its effects will last longer.

Although I am here supporting reform I confess I want it to stop. Too much has been laid waste, small scale logging is OK but nothing remotely like the scale we have seen. The trees grow back and the forest is green again but as a lot of my colleagues have pointed out they make poor wildlife habitat and I think biologists predict that on 340 drainages logging will reduce deer populations over 75 percent. We eat deer. Many villages and small fishing communities depend on deer.

Salmon are the basic wealth of our country and have been since the Thlingit were the only ones here. Salmon require high quality stream habitat; the logging is targeting exactly on the stream and river valleys where the highest volume, easiest to get timber grows.

One of the effects of building thousands of miles of road is a rapid decrease in brown bear populations. Chichagof Island has been an alarming kill rate—fish and game staff familiar with the situation do not have much hope for the long term survival of the brown bear population and I brought a stack of letters from Juneau that I just submitted that have—one of them has that on the brown bear problem, some way about the economic effects of reform.

I raised three kids by myself and I have seen a few hard times but one thing I found you could depend upon was the natural wealth of the country. This country provided my family with much of our food and most of our fuel and also provided us with our pleasures and I agree with that man there, I would rather have wilderness today that is so productive than a lot of money.

Senator WIRTH. Thank you very much, Judy, we appreciate your testimony and all four of you, thank you very much.

[The prepared statement of Ms. Brakel follows:]

Testimony Before the U.S. Subcommittee on Public Lands, Parks and Forests
April 24, 1989

My name is Judy Brakel. I live at 440 E. 1st St., Juneau, Alaska. I am here to testify in favor of Senator Wirth's Tongass Timber Reform bill and against the Tongass bill introduced by Senator Murkowski. I thank Senator Wirth and his co-sponsors for introducing their bill and ask that it be strengthened by providing permanent protection to the 23 areas presently proposed for a logging moritorium.

It is unfortunate that the location, scheduling and sign-up proceedures for the Senate hearings, including allowing the mills to submit lists of employees, have combined to produce a highly unrepresentative set of people testifying. If these hearings were being held either in Petersburg, where I grew up, or in Juneau, where I live now, this room would be packed, not with supporters of the timber status quo, but with people who want to see a change. And I can tell you that in the weeks since the oil spill people have become alot less silent and passive about the ecological destruction of Alaska, of whigh Tongass logging is a prime example.

As a kid I traveled all over Southeast Alaska by small boat. We were just looking at the country and being in it. Our whole family did this for years and years and we never got tired of it. Now my sons fish salmon and my husband and I spend summers working as wilderness guides, taking people who come from other states on kayak and hiking trips to see the country. Those people want to see wild country, not logged off country and roads. Logging is quickly reducing the places where we can do trips. But protecting my livlihood is not why I'm here.

Most of the people who are here to support the present system never saw the country before the logging. They came from country that was logged out to a country in the process of being logged, and it looked natural to them. For myself, the massive logging of the country I grew up in affects me too deeply. I try to look away from it, and so far I have not been a good conservation activist. It's easier to forget about the logging in Juneau because that area of the Tongass has yet to be cut and the one nearby timber sale was forstalled when a coalition of local people sued the Forest Service. It's easier to forget because thinking about it produces a deep feeling of sickness, like thinking about the silent spring in Prince William Sound. The logging is slower than the oil spill, but every bit as destructive because its effects will last longer.

We're supposed to be here supporting reform. I confess I just want it to stop. Too much country has been laid waste already. Some small scale logging would be OK, but nothing remotely like the scale we've seen. One billion board feet were cut last year in Southeast Alaska, between Native and National Forest lands. Almost everyone believes that 4.5 million board feet per year is above the sustainable yield.

The trees grow back, of course, and places look green again. But after about 25 years the new trees have grown back so thickly that they shade out light from the forest floor and make poor wildlife habitat for the next 100 years. Also, in winters of heavy snow these areas don't provide good wintering habitat for wildlife for at least 130 years - some say 200 years. We don't really have large examples of regrown areas that were cut that long ago, so it's in the realm of theory. Anyway, by 130 years the timber here will long since have been scheduled for recutting. In other words, under the present management system old growth conditions will never again be allowed to return.

Alaska's Dept. of Fish & Game has researched the effects of logging on deer populations in the Tongass. Biologists predict that on 340 drainages in Southeast, logging will reduce deer populations by 50 to 75%. On 100 other drainages it will reduce deer over 75%. My family doesn't eat beef. We eat deer. What about the people who live in the Native villages and small fishing communities? They depend on those deer.

What about our salmon runs? Salmon are the basic wealth of the country. They are eaten by bears and eagles and people. They are the backbone of our economy, and have been since the Thlingit were the only people here. Continued healthy salmon runs require high quality stream habitat. The logging is targeting exactly on the stream and river valleys, where the highest volumn, easiest to get timber grows.

What about the effects of building thousands of miles of roads through the wilderness? In 1950 there were less than 100 miles of permanent road in Southeast Alaska. In 1988 there were 2,300 miles (omitting temporary roads). Current plans call for building 295 miles per year, and more will be built to log Native lands.

One of the effects of those roads and of logging camps is a rapid decrease in brown bear populations. Black bear can coexist pretty well with people and roads. Brown bear cannot. The brown bear areas in the Tongass are the mainland, the "A B C" islands (Admiralty, Daranof and Chichagof) plus Kruzof Island and Yakutat. Last fall an alarming kill rate on the heavily logged and roaded northeast Chichagof Is. caused the Alaska Dept. of Fish & Game to close the area's brown bear season by emergency order. Deer limits also had to be cut. To maintain the bear population, the annual harvest can be no more than 5%. For the last 4 years it has been 2 to 3 times that. ADF&G staff who are familiar with the situation do not have much hope for the long term survival of a brown bear population on northeast Chichagof. There is great concern about the decline of the few remaining brown bear populations in the contiguous United States.

Meanwhile here in Alaska the Forest Service makes plans to reduce their numbers and range in a hurry.

I want to talk about the 50-year contracts with the mills. In the 1950's I heard people express their unhappiness with the Forest Service insistance on making large pulp sales. People wanted smaller scale industry, like plywood mills. Initially, after the sales, there were locally owned logging outfits: Meurs, [illegible] Reid Bros. Soon the two pulp mills colluded to drive the independent loggers out of business, and they got just about every one of them. Eventually the Reid Bros. sued. Many years later the case was decided in Federal court in their favor. If you read that decision, with its descriptions of wholesale violations of antitrust laws by the pulp companies, you will see one of the many reasons to break those contracts.

Some people are worried that changes in Tongass management could bring hard times for families whose livlihoods are affected. Others say that won't happen. I don't know. I raised 3 kids by myself and I've seen a few hard times, but one thing I found you could depend upon was the natural wealth of the country. This country provided my family with much of our food and most of our fuel. It also provided us with our pleasures. So I ask those people to put their minds to ways of living with less and enjoying the country more. The country will give them alot.

So thank you, Senator Wirth, your 14 co-sponsors, and the members of the Public Lands Subcommittee, for lending your time and attention to the question of salvaging Southeast Alaska from ecological destruction.

Senator **Murkowski**. For the record I want to address a portion of the remarks made by the gentleman, Mr. Steven Kallick. For your benefit and that of others who may question the propriety of the manner in which this hearing is conducted, you should recognize I am not a member of the Subcommittee. Through the courtesy of the Chairman and the Acting Chairman and the professional staff and the fact that the hearing was in my state, I was accorded the opportunity to participate, which is quite appropriate.

Now let us make sure we understand a couple of other things; the manner in which you describe the hearing having been conducted is a personal affront to my integrity. Now you might be able to mislead some of your people at Seak but you cannot mislead the people in Ketchikan, the people who watch us on television.

I have seen the statement issued by SEACC and it is blatantly false. In addition, you will reach any end to extend your point of view. If you care to enunciate in some detail the charges I am sure that the professional staff will be happy to respond.

They conducted this hearing in a manner in which they agreed collectively was the fairest under the circumstances; obviously we regret that we cannot accommodate all the witnesses. I personally was willing to hold the hearing on Sunday but it was impossible to do so for other conflicts which were not my own. Nevertheless we are doing the best we can but I want the record to reflect that if you have any allegations about impropriety you better make it known because I am just a little tired of this kind of flamboyant generalization that comes from Seak and I think Alaskans ought to understand it. [Applause.]

Senator **Wirth**. As long as this issue has been brought out and again for the record Senator Murkowski and I had agreed on the random nature, random drawings of people who wanted to testify. We agreed that would be the fairest way of doing it and the locations of the hearing. Senator Murkowski wanted to have a third day of hearings at Wrangell, but that could not be done and Senator Murkowski said that he would be very happy to have the hearing yesterday, Sunday, which I would not do so we settled, agreed upon two days to be in Ketchikan today and Sitka tomorrow.

The only area that, after we tried to figure out all the contingencies and all of the variables, the one that we did not think of, that we have never discussed, was the submission of lists, and that was done and lists apparently were submitted and became a part of the drawing process. We never discussed that as a procedure.

I had assumed that it would be individuals writing in but we never discussed whether individuals writing in or lists being sent in would make people eligible for the drawing so if there is any misunderstanding on that front that misunderstanding exists if people who were on this list had a better chance of being drawn, that is what happened. That was not part of the rules of discussion that we had and I think that that is probably a fair discussion of how the process was set up. So the list issue is the only one that is outstanding in terms of any disagreement that we might have about how the hearings proceeded or were established.

There now, is there any more to be said?

Senator **Murkowski**. Not other than the material somewhere in the offices in Ketchikan and Juneau was simply forwarded on to

Washington and disposition was made there through some kind of a computer drawing of some nature. I had no participation in that.

Senator WIRTH. I am informing my staff that the drawing was made, the list was submitted after the time of closure for submission and some were able to submit lists—knew about submitting lists and other people did not know the lists would be submitted and it is in that area that there might be some area of misunderstanding or some people feeling that they got had or did not get had and that is, I think, nothing that—and any of us had any idea was going to happen. I will tell you Senator Murkowski and I must have talked a dozen times about the procedure, what would be fair way for submitting lists and the one variable we did not think about. I think we thought about just about every other one, as to what would happen and what did not happen and as one knows, it is sort of like water, water always seeps down and looks for the hole, looks for the opening, right, and just you found the opening and slipped right in there and obviously caused a significant problem and I think I can assure you that the next time Senator Murkowski and I do hearings together we will have a very clear policy on lists.

Senator MURKOWSKI. There is no doubt about that.

Senator WIRTH. Enough said about that, we appreciate you all being here and everyone is operating in a good way and responsible and that is extraordinary, I think, Senator Murkowski. In many ways only in America would you have people feeling so strongly, sitting next to each other, in total disagreement from one witness to the next, only in America would you have an employer and employee come in and say that the policy of that person's employer was fundamentally wrong and many of us disagreed with him even though the employer pays that individual's salary. No matter how this comes out I think this is, in my opinion, quite remarkable testimony to how democracy ought to work and while I have heard that this hearing was set up in some way and have not allowed democracy to work then I apologize for that. As Frank says we did the best we can and as to the lists we did not anticipate this.

If there are no other comments on the subject, let us go on and we thank you all very much for joining us. Thank you for being here.

The next panel, Mr. Jim Byron, Gary Robinson, Pauline Green, Tom Winter, J.C. MacMillan and Richard Burrell and if we could move into the on-deck circle we will have Don Harbour, Viril Soderberg, Perry Apostolis, Jan Paulson and Dan Lindgren and Alan Monk.

Thank you all for being here. May we get started with Mr. Byron?

## STATEMENT OF JAMES BYRON

Mr. BYRON. Thank you.

Senator MURKOWSKI. I admire those red suspenders. You must be a logger.

Mr. BYRON. I am a logger. I represent a large logging and cutting operation. We have four different distinct spheres of cutting that we work in. Half of our cutting is in private timber, native lands, and the other half is in the Forest Service, Tongass National Forest.

Southeast Alaska is home to three generations of my family. Both my father and myself have felled timber and supervised cutting crews in the Tongass for a total of 31 years between us. In the early days regulations and rules governing logging and cutting practices were few. Today the Tongass is managed with the future in mind. Everything from the placement of roads to the protection of fish streams are taken into account before the first tree is felled.

Is is very easy to pick up a magazine or newspaper to read an article or look at pictures that show or tell the negative aspects of logging. Important decisions such as the ones facing us now need to be addressed with all the facts.

We invite you to go out into the forest and look for yourselves. Where my father first felled timber the regrowth is 40-50 feet tall, a healthy stand of timber that 60 years from now someone will undoubtedly be trying to turn into a wilderness area. It should not take anyone very long to realize that the single best use of this land is growing trees.

We are committed to this land not on a short term but for our children and beyond. The Tongass has a crop growing on it that is an extremely valuable and renewable resource. We do not want all of the timber to log nor do we want more wilderness. We have a good management system now; to change this on the eve of the next Tongass Land Management Proposal is not in the best interests of the Tongass. To terminate the long term contracts will not do anything but cripple the healthy economy of southeast Alaska and disrupt the lives of many people.

Thank you.

Senator **WIRTH**. Thank you very much, Mr. Byron.

Mr. Robinson.

[No response.]

Senator **WIRTH**. Pauline Green.

## STATEMENT OF PAULINE GREEN

Ms. **GREEN**. Thank you.

My name is Pauline Green and I support the Stevens-Murkowski Senate Bill 237. I think it unrealistic to stamp case closed on our logging, jeopardizing our economy by adding more wilderness to an already vast established area. I prefer to stay off the government hand-out rolls and earn my living.

Yes, I believe in preservation but I believe in people preservation first.

I have lived 35 years in logging communities and have seen many positive lifestyle changes.

We established homes, schools instead of correspondence courses and churches. Scholarships are offered students by Alaska Loggers. Opportunities have opened, not previously available, due to the inter-related businesses in our area.

Senator Wirth, you have children. Did it ever occur to you fresh produce, fruits and milk were not commonplace on the table? Transportation has changed that. Surely as a parent you can understand those priorities.

Before roads were built my husband became critically ill, there was no 911 number to call from the bush. Air Rescue came as soon as the weather permitted, however too much time had lapsed. Shortly after his death a road opened and access was possible to several hundred people. Medical help became available as a direct result of the logging industry.

I love the state and the lifestyle I chose but I request the same rights to necessities other states often take for granted.

Please visit the camps, review the total dollar and environmental impact on families before you decide on how our lifestyle should be.

Senator Wirth and Senator Burns, I thank you, and Senator Murkowski, I am very proud to have you as my Senator.

Senator WIRTH. Thank you very much.

Now, Mr. Winter.

## STATEMENT OF TOM WINTER

Mr. WINTER. My name is Tom Winter and I am an employee of Six Robbles, Seattle. My company is a warehouse distributor of truck fleet parts and equipment. Our headquarters are in Seattle and we have two regional stores in Anchorage and Fairbanks.

My sales territory includes southeast Alaska and my customers are the logging industry, as well as the cities, towns and the State of Alaska Highway Maintenance facilities. I have been servicing this territory for eleven years and I have experienced every one of the upswings and downturns in the state's economy.

Better than 50 percent of my personal income is dependent on southeast Alaska sales. In addition our stores in Anchorage and Fairbanks sell to and support logging in the interior and near Kodiak. I am here today to explain to you that my company and I are very dependent on a healthy logging industry in Alaska and a healthy southeast Alaska economy.

As an associate member of the Alaska Loggers Association I have spoken to many of the over 200 suppliers' representatives who, like myself, have expressed serious concerns about the future of their livelihood. Our friends and customers in this industry depend on us to get products and services to them in order for them to operate their trucks and logging equipment and we depend on them to be able to sell their services.

The proposed legislation in Congress today places the livelihood of all of us and the people of the Tongass and the many tiers of suppliers both in Alaska and from the lower 49 States in jeopardy.

I urge you to retain a land and timber base to provide a supply which ensures employment opportunities associated with the forest products industry supply for dependent industry. Any changes in the long term contracts would have a far-reaching effect on the people and the communities of Southeast Alaska.

A healthy logging industry with year-round employment opportunities does strengthen the economy of southeast Alaska.

Senate Bill 346 would be devastating to the established timber industry in the Tongass. Therefore I support Senate Bill 237 as the legislation that will most equitably resolve the pending issues of the Tongass.

Thank you.

Senator **Wirth**. Thank you very much, Mr. Winter.
Ms. MacMillan.

## STATEMENT OF JO CAROL MacMILLAN

Ms. **MacMillan**. I am Jo Carol MacMillan, a 29-year resident of Ketchikan, by choice.

I am wearing a hickory shirt and red suspenders to publicly proclaim my support of the timber industry in Alaska. Pinned to the shirt is a button, picturing a logger's family, with the inscription "Preserve the people".

Most of us live here because of the people, certainly not for the weather or the cost of living. The people are an integral part of the Tongass. Most of us choose to live where there is a stable economic base rather than in an area with boom and bust fluctuations. Those who are professionals in business or any vocation that requires an investment and a commitment to a specific area, select one that has a promising projected future. The timber industry is one third of our economic base.

As a wife and mother of four, a wage earner and home owner, I am not an expert on economics, forestry or politics, but I keep informed on the issues. When matters of such magnitude as the management of the largest forest in the United States are at issue a point is reached at which those who are the experts should be allowed to use their expertise.

The sign on the road to Ward Lake states, "Tongass National Forest, U.S. Department of Agriculture." Trees are a crop, one which replants and thrives in this area, and one that can be harvested, with management, animal life, forest and people together.

The beauty of the Tongass attracts us, a warm friendly people welcomes us, but a sound economy allows us to stay.

Thank you.

Senator **Wirth**. Thank you very much.

## STATEMENT OF RICHARD BURRELL

Mr. **Burrell**. Ladies and gentlemen, I am speaking on behalf of myself, my family, my company and my employees. My livelihood has depended on the Tongass National Forest for 27 years. Myself, my family and my 20 employees care a lot about what is going to happen in the forest. We hope our statements today will help to convince you all that we need your ongoing support of what the Congress instituted nearly a decade ago.

ANILCA was a compromise of forest land that took a lot away from the productivity of the forest. Several million acres are locked up in wilderness and roadless areas. We have recently lost the Tongass Timber Supply Fund of $40 million as a compromise.

Congress instituted 50-year timber sale contracts nearly 35 years ago. There are healthy second growth timber stands on virtually every patch cut made the Tongass. We are not deforesting, we are involved in serious land management, planning and working with proven first entry timber harvesting methods. The logging roads and highways have enhanced fishing and hunting tremendously throughout the Tongass National Forest.

Since 1976 set aside timber has been sold competitively. If the 4.5 billion per decade cut is reduced I believe the S.B.A. program will dissolve. On the other hand, how trustworthy would Congress be deemed if you renege on the 50-year contracts with 16 years left on one and 20 years on the other? Common sense tells us to live up to our agreements. Our leaders must set the example.

Live up to Congress' previous commitments and give credit where credit is due. The Forest Service has done a tremendous job and will continue to as long as the land is not locked up.

Thank you.

Senator WIRTH. Thank you very much, Mr. Burrell. Now we appreciate the five of you being here and thank you very much for being so patient so late in the afternoon.

Our next panel is Mr. Harbour, Virgil Soderberg, Perry Apostolis, Jan Paulson and Dan Lindgren and Alan Monk and our final on-deck hitters will come to the chair, Dick Ransdell, Greg Head, Angelo Martin and Mr. Sean Harbour. We will start with Mr. Don Harbour if we may.

Mr. Harbour.

## STATEMENT OF DON HARBOUR

Mr. HARBOUR. Senators and people, my name is Don Harbour and I own and operate Harbour Logging Company. I have lived and worked in the Tongass for most of my last 30 years and have spent most of that time in remote logging camps with my family.

I have lived in many areas of southeast Alaska and have logged both old growth and new growth timber. The second growth was originally logged in 1906 by oxen and was 24 to 30 inches in diameter, healthy spruce and hemlock, and that was in 1966 which makes it 60 years old.

Much of the old growth I have logged has been overripe or blowdown timber that was over 50 percent suitable only for pulp.

Without the pulp mills to provide a market for the large volume of overripe and defective timber a small independent logging contractor like myself could not stay in business. We have no way to dispose of this but of course there was—the 50-year contracts with the pulp mills made it possible for many people like myself to live year-round and raise families in this wilderness known as the Tongass.

I have been here long enough to see the benefits of the multiple-use concept. I have flown, floated and driven many times over most of southeast Alaska and have watched areas I logged 30 years ago flourish with new healthy timber growth. I have been in second growth the Russians logged that I defy most of the rabid preservationists to tell the difference from old growth, other than it was an exceptionally healthy stand of so-called "old growth".

I am fed up with seeing pictures of new clearcuts in the media and never seeing photos of 20 or 40 year old clearcuts showing how tall and healthy the new growth is.

The road system in the Tongass is a wonderful thing because I enjoy seeing the older people driving around if they couldn't walk it, and experiencing the Tongass first hand, instead of having to fly over or watch it on TV. When I am too old to fly, which I do myself, I expect to be able to drive over the Tongass.

Senator WIRTH. Thank you very much, Mr. Harbour.

Mr. Soderberg.

### STATEMENT OF VIRGIL SODERBERG

Mr. SODERBERG. Senators, we the undersigned are the residents of the Barge Inn, we are working there as a flotilla currently anchored at Winter Harbor on the Northwest side of Prince of Wales Island. Our mission to construct logging roads within strict forest regulations and specifications.

We are justifiably proud of what has been accomplished today—dead, rotten, bug-infested stands have been replaced by vigorous stands of young, green second growth.

A great National Forest can now be accessed by all Americans through the road network now in place. As professionals and residents of the forest we oppose all aspects of Senate Bill 346 and House Bill 987. The cancellation of the long-term contracts would eliminate the Ketchikan Pulp Mill at the first downturn of the market. Half the employees in the industry would be forced to leave at that time. Likewise comparable numbers of service support people would follow. Those remaining would be subjected to the roller coaster ride of the economy, depending upon two seasonal industries. Southeast Alaska would rapidly assume the economically handicapped characteristics of nondiversification that the rest of the State is so famous for. Elimination of the 4.5 billion board feet allowable sale quantity would also eliminate some of our careers in the National Forest.

Native corporations are eager to continue their logging and roadbuilding operations and harvesting their own stands but will find no timber available or displaced and already in the forest. In either case the dropping of employment and economic activity would follow.

The nature of the Tongass Timber Supply Fund would remove incentive to improve the harvest yield on a marginal stance, which remained open after the wilderness area selections. To do so would be to decrease the timber base with resulting decreases in employment and the local economies. Removal of the portion of the forest which pays the local economy for loss of productive lands to wilderness should be followed by elimination of wilderness areas. Additional selections of commercial forest lands for wilderness areas should not be made; to remove timber from productive harvest and lock it away to rot, burn or blow down is serious mismanagement.

Southeast Alaska is a model community and the Tongass is a model forest and you can kid the fans but you cannot kid the players.

The rules should apply to everyone and not be changed in the middle of the game.

Thank you, Senator. [Applause.]

Senator WIRTH. Thank you Mr. Soderberg.

Mr. Apostolis.

## STATEMENT OF PERRY APOSTOLIS

Mr. APOSTOLIS. My name is Perry Apostolis, I have been in Alaska for four years, this is my second year following—with a construction company. I have logged in Admiralty Island and Prince of Wales Island. I have 14 years experience in logging and other various types of tree work, all from Oregon and Alaska. It is not hard to see that the trees in southeast Alaska are overripe and need to be harvested. Alaska has a natural second growth that is coming up beautifully. Our logging industry has divided nice forests in southeast Alaska for tourism and hunters and sightseers.

Thank you.

Senator WIRTH. Thank you very much.

Ms. Paulson.

## STATEMENT OF JAN PAULSON

Ms. PAULSON. My name is Jan Paulson. I have been a resident of Alaska since 1972. Currently I am employed as a civil engineer by Seley Corporation, a Ketchikan-based resource company. We are directly involved in logging, construction and tourism.

I oppose S. 346. This legislation, proposed by Senator Wirth, would not be beneficial to the people of Southeast Alaska. Reducing the allowable annual cut on the Tongass could only result in the loss of jobs and hinder future development.

Locking up more of the Tongass to wilderness would not be beneficial to anyone. The areas currently designated as wilderness are accessible only to the affluent or very hardy. For instance, Misty Fiords National Monument is only accessible by float plane or boat. There are no hiking trails or viewpoints for the average vacationer to enjoy. I believe the roads built to access timber can also be used to access recreational areas, areas that would be available to retired people traveling in motor homes and on tight budgets. Short trails from these roads could also make the Tongass accessible to the handicapped.

I believe most of the opposition to logging in the Tongass stems from misinformation campaigns by environmental groups. It was easy for the writers at Sports Illustrated to take pictures of a fresh clear-cut and say this is bad but what they did not show was the ten-year-old cut down the road that has completely grown over with healthy young trees.

The management of a multiple use forest is a complicated issue, one that most people not directly involved do not understand. For them the only rational solution is to stop all logging.

The most important issue before us today is the continuation of the 50-year timber sale contracts. United States entered into these contracts with the intention of meeting the terms. If these contracts are terminated everyone loses. All taxpayers will be invited to share in a buy-out that at this time has an unknown bottom line. The reduction in timber-related jobs will adversely affect the employment level of our service industries and the entire economy of southeast Alaska.

Senator WIRTH. Thank you, Ms. Paulson.

Mr. Lindgren.

## STATEMENT OF DAN LINDGREN

Mr. LINDGREN. Ladies and gentlemen, my name is Dan Lindgren and I am an Accountant employed by Wrangell Forest Products.

I strongly believe that every effort possible must be made to ensure the continuation of the timber industry in southeast Alaska. Therefore, I disagree with the Tongass Timber Reform Act for many reasons, three of which I will cover today.

First, cutbacks in the timber industry would have devastating effects on the hopes and dreams of thousands of Alaskans. Real Estate values would plummet and many families would be stuck with large mortgage payments and no jobs. This coupled with high costs to move from Alaska would leave many families stranded. This in turn could lead to more homeless families and higher rates of crime.

Second, 96 percent of the Tongass National Forest remains untouched by the timber industry. Trees sprout like weeds in logged areas without planting, making Alaska the United States' best renewable wood source. Proper thinning of this second growth forest creates a forest with a value two to three times more than the old growth forest. This second growth forest will also have a road system that will greatly increase the economic return of harvesting timber in Alaska. All these factors will help ensure jobs for future generations of Alaskans.

Third, the timber industry in Alaska is still in its start-up period. Millions of dollars have been invested in property, plants and equipment. These investments were made on the premise of an adequate supply of harvestable timber. If this timber supply was shortened, compensation would need to be made, not only to the pulp mills but also to other small businesses that rely on the timber industry. The price tag for this compensation would be hundreds of millions of dollars and would be paid by our tax dollars.

In conclusion, without a striving timber industry southeast Alaska would suffer a tremendous crunch in its economy. Thousands of Alaskans who have invested their lives in the timber industry would lose everything they have worked so hard for. This along with the millions of dollars of compensation that will have to be paid only proves how foolish it would be to tamper with the timber industry in southeast Alaska.

I urge you to consider the thousands of lives that will be affected every time you vote for legislation concerning the Tongass National Forest.

Thank you.

Senator WIRTH. Thank you very much.

Mr. Monk.

## STATEMENT OF ALAN MONK

Mr. MONK. Just six months ago I could have been counted among the proponents of this proposed legislation. I would have readily agreed that we do not have enough designated wilderness in our national forests to allow for mass logging and the rapid depletion of a very valuable resource. I would also have agreed that we need to do something drastic to save the habitats of our endangered wildlife. Yes, I would have said that those loggers only care about cutting down our national forests and getting the almighty dollar and to heck with anything else.

Oh, yes, and while I am at it, what is all this hullabaloo about the loss of jobs? These displaced loggers can easily find jobs in the other big Alaska industries, fishing, tourism and the ever present oil field.

Well, as I said, I would have been of this opinion but something changed my mind. I moved to southeast Alaska from New Mexico. I am no longer a member of the uninformed, lounge chair environmental group. It is very easy for Joe Blow from New York City to sit in his easy chair and talk about environmental concerns and how his national forests are being raped and something needs to be done now before the whole United States looks like New York City.

Since moving to Alaska I have just begun to realize how vast the Tongass National Forest is and what a tiny portion of it is actually being logged or ever will be. I also see that the logging operations are well regulated and the cutting is not just haphazard, but is well planned.

I just do not feel it is right for people to make decisions or policy on matters that they do not have first-hand knowledge of. How many of the legislators who will decide this issue or the environmentalists who support it have ever been to Alaska to see first hand the magnitude of this forest and the economic stability its industries provide the people of the Tongass?

Are you willing to sacrifice the economic stability of Southeast Alaska just to placate the lobbying efforts of the environmentalists whose main support comes from the white collar Yuppies who will probably never even see Alaska let alone the Tongass National Forest?

I think it is about time that Alaskans are allowed to determine Alaska's future and let Coloradoans worry about Colorado and their own problems with their national forests. I do not see any federal legislation being proposed to stop all the commercializing of their forests by the ski industry.

I ask, Mr. Wirth, are you willing to close up a ski resort in Colorado for every logging operation we lose here because of your legislation? [Applause.]

Senator WIRTH. Any questions of this panel?

[No response.]

Senator WIRTH. Thank you all very much for joining us.

Our final group is Mr. Dick Ransdell, Mr. Greg Head, Angelo Martin and Mr. Sean Harbour.

Mr. Ransdell.

## STATEMENT OF RICHARD RANSDELL

Mr. RANSDELL. My name is Dick Ransdell and I am employed in Ketchikan by a company involved in both logging and tourism and have been involved in financial activities for the past 20 years.

For a variety of reasons I am here to oppose the bill as proposed by Senator Wirth. I think discussion of elimination of the long-term sales would certainly affect the ability to finance the type projects which were put in place with the advent of the long-tern sales now in existence. I feel the government, in providing these sales, induced not only significant investment by the pulp plants, who seem to be the scapegoat in this situation, but also by a number of independent loggers and other support activities, including everything from the boll weevil center to the local restaurant.

I am confident in this statement as I participated in the financing and building of a $65 million fiberboard plant in the Republic of Ireland and we could not have gotten that contract unless we got support from the government. I feel it is an obligation of the government when they make those commitments.

The second point, the company I work for in Alaska has exported over a $100 million worth of lumber in the past several years, which certainly must contribute to the balance of trade problem that we seem to have. In producing this lumber we have provided approximately 200 people in the small town of Wrangell with year-round employment and a similar number of seasonal jobs located in the logging industry.

An adequate timber supply and a market facility to sell the pulp logs is essential to the existence of the areas' sawmills and logging operations. We should all recognize the potential impact on the economy of southeast Alaska of changes in government policy. Timber and related industries supply a large number of our citizens with employment.

I thank you for the opportunity to express my opinion.

Senator WIRTH. Thank you very much, Mr. Ransdell.

[The prepared statement of Mr. Ransdell follows:]

I AM RICHARD RANSDELL, AND I AM EMPLOYED IN KETCHIKAN BY A COMPANY INVOLVED IN BOTH LOGGING AND TOURISM, AND HAVE BEEN INVOLVED IN FINANCIAL ACTIVITIES FOR THE PAST 20 YEARS. DISCUSSION OF ELIMINATION OF THE LONG-TERM SALES WOULD CERTAINLY AFFECT THE ABILITY TO FINANCE THE TYPE PROJECTS WHICH WERE PUT IN PLACE WITH THE ADVENT OF THE LONG-TERM SALES NOW IN EXISTENCE. I FEEL THE GOVERNMENT, IN PROVIDING THESE SALES, INDUCED NOT ONLY THE SIGNIFICANT INVESTMENT IN THESE PLANTS BUT IN ADDITION, INVESTMENT BY MANY INDEPENDENT LOGGERS AND OTHER SUPPORT ACTIVITIES. I AM CONFIDENT IN THIS STATEMENT AS I PARTICIPATED IN THE FINANCING AND BUILDING OF A $65,000,000 FIBERBOARD PLANT IN THE REPUBLIC OF IRELAND WHICH WAS ONLY POSSIBLE WHEN WE HAD OBTAINED A 20-YEAR CONTRACT WITH THE IRISH GOVERNMENT FOR WOOD SUPPLY.

NOW THAT THE INFRASTRUCTURE IS IN PLACE, THE GOVERNMENT IS TRYING TO CHANGE THE RULES. THE COMPANY I WORK FOR HAS EXPORTED OVER 100 MILLION DOLLARS WORTH OF LUMBER IN THE PAST SEVERAL YEARS, WHICH CERTAINLY MUST HELP THE BALANCE OF TRADE. IN PRODUCING THIS LUMBER WE HAVE PROVIDED APPROXIMATELY 200 PEOPLE IN THE SMALL CITY OF WRANGELL WITH YEAR-ROUND EMPLOYMENT AND A SIMILAR NUMBER OF SEASONAL JOBS IN LOGGING, NOT INCLUDING THE MULTIPLIER EFFECT.

AN ADEQUATE TIMBER SUPPLY AND A MARKET TO SELL PULP LOGS IS ESSENTIAL TO THE EXISTENCE OF THE AREAS' SAWMILLS AND LOGGING OPERATIONS. WE SHOULD ALL RECOGNIZE THE POTENTIAL IMPACT ON THE ECONOMY OF SOUTHEAST ALASKA OF CHANGES IN GOVERNMENT POLICY. TIMBER AND RELATED INDUSTRIES SUPPLY A LARGE NUMBER OF OUR CITIZENS WITH EMPLOYMENT.

I THANK YOU FOR THE OPPORTUNITY TO EXPRESS MY OPINION ON WHAT IS AN IMPORTANT MATTER TO THE PEOPLE OF SOUTHEAST ALASKA.

Senator WIRTH. Mr. Head.

## STATEMENT OF GREG HEAD

Mr. HEAD. Thank you. My name is Greg Head and I am Vice President of Klawock Timber Alaska, Inc. My family came to Alaska over 20 years ago and built a sawmill. We were encouraged and assisted in this by Frank Peratrovich, a far-sighted Klawock Native who envisioned year-round employment for his people. This has finally come about and we are now employing 100 people in the mill itself and another 150 in the woods, either building roads or harvesting timber. The mill will process about 75 million feet of logs this year; 90 percent of this volume is barged to the mill and we also produce our own power at the mill site.

We are 100 percent dependent on the Tongass for our raw materials to stay in business. Because of this dependency we have always been in direct competition with the two pulp mills for logs and we have been at a distinct disadvantage for getting logs.

Now the pulp mills are able to procure a guaranteed log volume with set stumpage, which influences the market and limits our profitability and makes it difficult for us to compete.

Aside from the 50-year contracts, probably the biggest hurdle for us in the Tongass to overcome in our fight for existence is the export by the Native Corporation. The exporting of jobs with these logs was and is a mistake and it has had a severe impact on how the rest of the country views the timber industry in the Tongass. Like the 50-year set-asides, this also influences the market downward. Foreign buyers, if given a choice, would rather process Alaskan logs than buy Alaskan lumber.

We feel the long-term contracts should be cancelled and that employment will actually increase as a result. We feel the Forest Service should be given more say in where and what should be cut. They are mandated by law to consider all the various interests before they allow a cut and we are confident that if permitted, they would do a good job and a balanced job of managing the forest.

We feel anyone exporting saw logs should be barred from any federal timber.

Lastly, we feel no more timber should be set aside for wilderness, in fact because of the proven regenerative properties of the Tongass we feel the Forest Service should be allowed to designate the timber inside the forest. We would like any constructive efforts to correct current misuse of the Tongass but that does not mean that the loggers should be barred from responsible timber harvest.

Senator WIRTH. Thank you very much, Mr. Head.

Mr. Martin.

[No response.]

Senator WIRTH. Mr. Martin, are we on to you?

## STATEMENT OF ANGELO MARTIN

Mr. MARTIN. I am Angelo Martin, part owner of a corporation located in Ketchikan, founded in 1947 by Barney Lind. I started working there in 1980 and purchased ownership in 1985. We now employ eight people and the timber industry is 40 percent of our business and 20 percent indirectly.

We do printing from companies as far away as Cold Bay to Annette Island. This takes in the Tongass National Forest and is 120 miles wide by 500 miles long.

The Tongass is very vast and rich in resources and can sustain all the industries in harmony, such as fishing, timber, mining, visitor and recreation.

I feel that the government made a commitment by signing the 50-year lease and should uphold therein without cutting back any of the timber yield any further. If there has to be a compromise then I support Senator Ted Stevens and Senator Frank Murkowski's bill. Frankly, Senator Wirth's bill is just not worth a damn.

Let us Alaskans choose our own destiny. Lind Printing cannot survive without the timber industry.

Also attached is a letter from Alaska Women in Timber printed on pulp made at Ketchikan Pulp Company, giving you the true facts about logging on the Tongass.

Senator WIRTH. Thank you, Mr. Martin.

Mr. Harbour.

## STATEMENT OF SEAN C. HARBOUR

Mr. HARBOUR. My name is Sean Harbour and I am 22 and have lived in Alaska all my life. I grew up in a logging camp and am now employed at the Ketchikan Pulp Mill. I was raised with a thorough grounding in the economics of timber harvest.

A virgin forest is not paradise. In many areas widespread devastation takes place naturally from a variety of sources, including insect infestation of trees, forest fires and blowdown. Each of these three factors accounts for a sizable loss in the forest each year. The key word on the Tongass is harvest. The forest can naturally make up for its annual losses from acts of God many times over. It is for this reason that the idea of sustained yield harvesting is practicable from an economic viewpoint.

In 5 years' time a clearcut area has rebounded so far that it is almost impossible to walk through the area. I have found that the only practical means of traversing these areas is by following the inevitable and numerous deer and bear trails that literally crisscross any section of the forest, clearout or otherwise. That is if you like to crawl on your hands and knees.

A principal fact of life is that for multiple use purposes the only practical access to inland forest is via logging roads.

The people of Alaska in conjunction with the United States Congress worked hard to establish a viable year-round timber industry that would attract and support permanent residents to further and broaden the economic development of the state. I personally feel that the timber industry is needed to provide an adequate income for a large number of people, especially in view of the fact that I was raised to believe that logging is an honorable and worthwhile profession. I deeply resent the portrayal of the logger as an assassin of the forest when what I know from personal experience is that modern forest management practices not only provide wood for today's forest product industries but will also provide for tomorrow's on a perpetual basis and improve the health, quality and amount of wood produced per acre, therefore improving our worldwide competitive standing without decreasing, indeed increasing, our natural resource base.

In conclusion I would like to state my support for Senator Murkowski's bill as the best compromise available for the Tongass and the Nation.

Thank you.

Senator **Wirth**. Thank you very much, Mr. Harbour.

Senator Murkowski and Senator Burns, any questions?

Senator **Murkowski**. Mr. Head, you indicated in your statement on page two that you feel anyone exporting saw logs should be banned from bidding on federal timber. The consequence of that statement of course, addressing legislation that has been introduced in the State of Oregon and I wonder if one can draw the conclusion from your statement that if you are a private owner of timber that would preclude in your opinion the ability to bid on federal timber; for what specific reason?

Mr. **Head**. The biggest reason we saw was and now it is almost a mute point because there has been so much export but we felt that the biggest thing here is jobs. One of the biggest considerations is that the—well, if it had manufacturing capabilities, we had to have manufacturing facilities before export, that the demand for the wood would still have been there, even after it was manufactured but the jobs would have stayed in Alaska and so given us a better base to——

Senator **Murkowski**. Well, I know there is a good deal of debate coming up. I know the Senator from Oregon is involved heavily and the Federal Government does under Congress regulation have the authority to prohibit the export of raw logs. I am not suggesting that at this time but I was just interested in that portion of your testimony. I can judge from that that your mill would be a viable entity if you had more timber and you cannot use pulp, you have to have saw logs?

Mr. **Head**. Right.

Senator **Wirth**. And saw logs are being exported currently?

Mr. **Head**. We are not talking about the saw logs, we are talking about all of Alaska if there are not any more restrictions on it we should have enough to process for our sawmill. I am talking about building facilities, other people building facilities, so there are more people here of course.

Senator **Murkowski**. Are you operating currently?

Mr. **Head**. Yes.

Senator **Murkowski**. Where are you getting your logs? Are you buying them?

Mr. **Head**. Yes.

Senator **Murkowski**. Now what do you do with your pulp, do you chip it?

Mr. **Head**. No, we have never been able to negotiate a contract. We are exporting it to Japan.

Senator **Wirth**. Do you export the shipment direct?

Mr. **Head**. Right.

Senator **Wirth**. Do they pay more than you can get here for it?

Mr. **Head**. Right.

Senator **Wirth**. Well, gentlemen, we thank you, the four of you very much, we appreciate your being with us and your patience being at the end of the batting and sticking with us. Thank you ever so much for coming and now unless there are closing words for the good of the order, any of my colleagues: Senator Murkowski or Senator Burns?

Senator **Burns**. Thank you, Mr. Chairman. I just want to reiterate, this is my first visit to Ketchikan, Alaska and you have made my visit very very good here. I appreciate the folks that have come to listen to this hearing and the people who have testified and Senator Wirth is right. You can sit down and you can either oppose or you want to firm your convictions towards a certain piece of legislation. It is wonderful, because that is the American way. That is one of the traditions that keeps this country together and keeps us, sort of keeps us part of the civilization in this society.

We appreciate all of you folks who testified here today. I have learned quite a lot and I look forward to tomorrow.

Mr. Chairman, thank you very much.

Senator **Wirth**. Thank you, Senator Burns.

[Pause.]

Senator **Wirth**. Senator Murkowski.

Senator **Murkowski**. I want to thank you and members of the Staff, Professional Staff, that you have traveled so far and my good friends and colleagues from Montana, who I think has really gotten a different perspective of Alaska and Senator Conrad, this is also his first trip up here. He is my colleague, Senator Wirth.

I want to thank you all for your hospitality and obviously you have seen from this process that there is a wide divergence of opinion and that is the way it should be.

Again I would suggest to you that hopefully we can reach a resolve. Obviously it will not be satisfactory to all of you but hopefully all of you can find something of substance in the ultimate legislation that is worked out of this process.

Again, thank you for not only the beautiful sunshine but for the chance to meet people from Ketchikan and very happy to see the high school students here, that they are able to attend a portion of this and can understand at least to some extent what some of us do in Washington more often than not and unfortunately the difficulty Washington is. We do not have time to get out and hold field hearings at this time. We have had hearings on Tongass in Washington, of course, and it is very difficult for people to come back there and because of the way the Senate is structured why we really do not get the opportunity to come out often enough.

Senator Conrad and Senator Wirth, tomorrow I hope that you each will have an opportunity to see some of the southeastern, a little more so on the flight to Sitka and see some of the clearcuts and look at some of the areas that have been logged five years ago, ten years ago, twenty years ago and further and that you get to compare some of the private timber sales and the logging with some of the Forest Service; I think it gives you a better idea. I know the best way to see southeastern Alaska is to climb into a beaver which goes, a Chipper, 75 or 80 knots and be prepared for a long chip. The thing is about the beaver, it is usually incompatible with your kidneys because there are places to sit down almost anywhere and go ashore so do not take it somewhere where Congress, including Senator Johnson, I think this is an off-the-record comment but he said that if I see any more wilderness around here I am going to give up, the point being that this is a big hunk of real estate in southeast Alaska and a beautiful part, a very previous part and the stewardship of this part of Alaska obviously belongs to all Americans but I think those in southeast Alaska, in spite of the divergence of opinion really feel that this is their special place and from this process, why, hopefully we can continue to regard this special place with some dedication and sensitivity of all the witnesses who testified today.

Thank you, Mr. Chairman. [Applause.]

Senator WIRTH. Thank you, Senator Murkowski.

On behalf of the Committee I want to thank you and all of the citizens of Ketchikan for their hospitality today. I thank the Staff as well, most especially I want to thank those witnesses who came and spent so much time with us today. You know I think we had about a hundred witnesses today, we learned a lot.

Senator Burns, we certainly appreciate particularly so many heart-felt moments of testimony. That is a tribute to the people's commitment to their way of life and to this beautiful, beautiful part of the country

We thank you for getting us up here and making sure that this hearing occurred and I want to thank all the members of the audience that took their time, and expressions of concern came bubbling out—but that is the American way too, so all of you, thank you very much.

The Committee will be adjourned until tomorrow morning at another reasonably early Alaskan hour. Let us hope that tomorrow we will also be blessed with good Rocky Mountain Montana-Colorado clear blue skies.

Thank you very much.

[Whereupon, at 2:15 p.m., the hearing recessed, to reconvene, Tuesday, April 25, 1989.]

# TONGASS NATIONAL FOREST

---

### TUESDAY, APRIL 25, 1989

U.S. Senate,
Subcommittee on Public Lands,
National Parks and Forests,
Committee on Energy and Natural Resources,
*Sitka, AK.*

The subcommittee met, pursuant to notice, at 8 a.m., in the Sitka Centennial Center, Sitka, AK, Hon. Timothy E. Wirth presiding.

## OPENING STATEMENT OF HON. TIMOTHY E. WIRTH, U.S. SENATOR FROM COLORADO

Senator Wirth. Thank you for coming.

The Chair welcomes you all to the hearing of the Subcommittee on Public Lands, National Parks and Forests, of the Senate Energy and Natural Resources Committee.

I am Senator Tim Wirth from Colorado, and I will be chairing today's hearing. With me here are Senator Conrad Burns of Montana and our host, Senator Frank Murkowski, whom you all know.

I am pleased to be here today, and I want to start by expressing my appreciation to Senator Dale Bumpers from Arkansas, the Subcommittee Chairman, and Senator Bennett Johnston, the Chairman of the full committee, for agreeing to schedule this hearing.

The purpose of this hearing is to receive testimony on two bills: S. 237, Senator Murkowski's bill, and S. 346, a bill I introduced. Both of these bills concern the Tongass National Forest; and we have come here to hear your opinions, your concerns, and your ideas.

Of course, how the Tongass is run affects all of you and that is why you are here, to let us know your concerns. We are aware of that and I repeat, that is why we are here as well.

The question of how to run the Tongass National Forest is controversial. It is controversial in Washington, D.C., it is controversial in my home state, and it is controversial here. We deal with a lot of controversial issues in the Senate, and we do our best to listen to all sides, to respect the right of people to hold opinions that are different than our own and to respect their right to express those opinions. It is my intention to see that this hearing is run in that manner.

I expect I will be hearing a lot about my bill today. Before we start, I would like to say a few things about what I think it does and why I proposed it.

The Tongass is more than just an Alaskan issue. This is not just any national forest. It is the largest national forest. It has internationally important wildlife and fishery resources. Its management has made it one of the most expensive of all our national forests to run.

And, in an era when we are trying hard to find a way to create more balanced plans for every national forest—plans that are responsive to the growing public demand for and economic importance of fisheries, recreation, tourism, wildlife and other values of our forests—the Tongass stands out as hamstrung in its ability to respond to that challenge.

I believe the Tongass is hamstrung because all its planning and management revolves around three things unique to this forest: the rigid goal of having to supply 4.5 billion board feet of timber for sale per decade, the automatic provision of at least $40 million per year for timber programs, and the 50-year contracts which give two timber buyers exclusive control of large parts of the forest.

The legislation which I have introduced has five central provisions. First, it eliminates the now-mandatory timber goal of 4.5 billion board feet per decade for the Tongass.

The second point of the legislation eliminates the guaranteed minimum annual appropriation of $40 million for the Tongass timber program.

The third point of the legislation terminates the two 50-year timber contracts so that timber will be sold through the normal process of short-term contracts. Long-term timber contracts were eliminated from the other national forests in the country during the 1950s and 1960s, while this is the mechanism remaining here.

Fourth, the legislation requires the Forest Service to revise its land management plan to adjust to not having the mandatory timber goal, the guaranteed appropriation, or the long-term contracts, and also to achieve a balance between timber, wildlife, fisheries, recreation, and all the other uses and values of this forest. In other words, this provides the Forest Service with room to start *de novo* on its planning process.

Fifth, the legislation places 23 areas off limits to logging until this new Forest plan is completed. The legislation does not put any lands in wilderness. It does not put any lands off limits to logging permanently, but it would ensure that logging under the old plan does not eliminate the options for protecting these particularly important areas for fisheries, wildlife, recreation, and subsistence use in the new plan.

These five proposals were made in the hope that they would protect resources in the Tongass National Forest which are important to Alaska's economy, and that they enable the Tongass to adjust to a future which, whether the legislation passes or not, is going to be different than the past.

In the past, the Tongass was run for the timber industry. It is becoming apparent that we cannot do that and expect everyone else to do just fine. Now, the commercial fishermen, the tourism industry, the subsistence user and the hunters and fishermen of this area want to be partners in the management of the forest because they all depend on the forest as much as the timber industry does.

In the past, Congress thought that pouring money into the timber program of this forest, and other forests, would solve all local economic problems and provide community stability, but now we have to justify every federal dollar spent as a good investment. The taxpayers of every state demand that. It is their money.

Lastly, in the past, Alaska was far away from the rest of the country. It is still far away but now people in every part of America know about Alaska, are interested in it, and care about its environment. They know about the oil spill and they know about this forest. It is their forest, too, and they want it to be protected from harm.

It is not my intent to stop timber harvest on the Tongass National Forest or to close the mills in Sitka and Ketchikan, nor do I think that will happen under my proposal. I do not see why those mills should not, or cannot, operate under the same sorts of rules the mills in every other state operate under.

Will it be as easy for the mills as it is now? No. Maybe they will have more things to worry about, including competition.

I look forward to the testimony of the witnesses and I welcome their input. We will bring back what you say to the other members of the Committee, and I am sure that the Committee and the Congress will have a lively debate on these issues. And I am looking forward to working with the Committee members, with the Alaska delegation and with other interested members on this important issue.

Again, I thank you all very much for being here. After other opening statements, I will outline the rules of the Committee in its operation today.

I would like to turn now to our host, Senator Murkowski, and say that we had a very good day yesterday in Ketchikan, a very well-balanced and well thought-out presentation. The record that was made was a very good one, and I am sure that we will have a similar kind of a record today. And much of this comes because of our good host, Senator Murkowski, and the careful work that he has done. Frank, from all of of us, thank you very much.

Senator Murkowski.

## STATEMENT OF HON. FRANK H. MURKOWSKI, U.S. SENATOR FROM ALASKA

Senator MURKOWSKI. Thank you very much, Tim. I want to thank all of you responsible for hospitality last evening. I might say the boat trip was well balanced and although we had different views on either side of the boat we intermingled and and had a lovely evening. It was a very fine way to introduce us to your community, although I am no stranger here. As many of you know, Nancy and I lived here from 1955 to 1956 and I am very glad to be back.

I am pleased to see the sun shining. I always remember Sitka with the sun shining.

Today's hearing marks, I think, certainly a fulfillment of my promise to Alaskans that no action would be taken on Congress legislation until hearings were held in the communities most affected. Unfortunately the Committee was unable to include Wrangell in the hearing schedule although I requested that.

Senator Burns and the members of the professional committee staff of the Public Lands Subcommittee, I welcome you to Alaska and, of course, to the City of Sitka. Both Ted Stevens and Don Young regret that they are unable to be here today but the oil spill disaster kind of spread our congressional delegation a little thin and Ted and Don are touring the Cordova, Valdez, Seward, Homer areas.

Legislation affecting the future of the Tongass National Forest is a subject vital to the people of Alaska, as the Chairman has already indicated, particularly those living here in Southeastern Alaska.

It is essential that Alaskans be heard before any legislative changes are made affecting the management of the Tongass.

Chairman Wirth, as Acting Subcommittee Chairman, I thank you, Senator Bennett Johnston, the Chairman of the full Committee, as well as Senator Dale Bumpers, the Subcommittee Chairman, for holding these hearings. I also appreciate the courtesies that have been extended to me as a non member of the Public Lands Subcommittee.

The Committee has before it two bills which would have radically different impacts on the Tongass, Senate Bill 346, introduced by my colleague Senator Wirth and others, and Senate Bill 237, introduced by myself and Senator Stevens.

It is my belief that the Wirth bill would seriously cripple the timber industry as we know it today. It would drastically reduce the timber supply, abrogate our two pulp mill contracts, and force the United States to walk away from a commitment made to the people of Southeastern Alaska. I find it rather ironic and troublesome that at a time when Alaska is facing severe challenges to our economic stability and our state budget disaster principally in Prince William Sound that we are also facing a potential loss of our timber industry and as much as 4,423 jobs and the life styles of those Alaskans dependent upon it.

Now, when we sort out the effects of the spill, exploration of ANWR, as well as resale activity associated with Bristol Bay, we are certainly off the screen. Exploration of ANWR and Resale 92 should not go forward until questions are resolved as to the adequacy of containment and contingency plans and that they are proven by actual testing.

Further, it is significant, given the reality that we are here today fighting for our state's only year-round manufacturing industry. Why is it that some members of Congress want to shut down the mills, the provider of jobs for three out of 10 residents in Southeastern Alaska? We can reform management of the Tongass without devastating the economy of Southeastern Alaska. That is what the Tongass Land Management Plan or TLMP is all about, gathering the input from all interests to make the management of the Tongass National Forest more responsive to the concerns of all parties. With all of the hearings and inputs from Alaskans already in the record, and the TLMP report available this year or early next year, I find it inconsistent that we move on legislation now before considering the recommendations of the TLMP plan.

Our bill, I feel, is a workable compromise and responds to reasonable concerns about the Tongass management, which takes in the concerns of the Southeast Conference as well, those who oppose the $40 million federal funding, as well as groups fighting for their jobs and life styles, such as Women in Timber.

The important aspects of our proposal are, first, it does not walk away from the commitment made by the United States to the people of Southeastern Alaska. Two, it does not upset the basic compromise of the Alaska National Interest Lands Conservation Act of 1980. Our bill will repeal the mandate that the Forest Service make 4.5 million board feet of timber available to the dependent industry each decade. Under our bill, the actual amount of timber prepared for sale, sold and harvested, would be limited by the annual Congressional appropriation, a sustained yield capacity of the forest which includes protection of fish and wildlife and the demand market for timber. In addition, we would require a sufficient amount of land outside the existing wilderness remain in multiple use management to support the timber-dependent Southeast communities on a sustainable yield basis.

Mr. Chairman, it is my hope that you and others will keep a perspective on the many important issues that will be brought to your attention by the witnesses this morning. These include, Mr. Chairman, old growth, virgin stands, clear-cutting, in addition to wilderness and buffer zones free from timber cutting around our small communities and spawning streams and winter kill of our deer population along the beach and free stands or old growth to sustain the deer habitat, along with the pressures on the deer from both wolf kill and hunting by man.

The contribution of second growth stands, such as those in various areas, Prince Wales Island, cut during the Second World War, yielding nearly tenfold new forest contributing as a sump, if you will, assimilating carbon dioxide, is making a positive contribution to the world's warming trend, the realization that over 40 percent of the Tongass is deteriorating and dying and the only utilization is in the form of wood fiber, not lumber, of the timber taken.

Mr. Chairman, it is important that we include in the record the Tongass land statistics attached hereto, and I would ask that those be included in the record at this time, basically a summary of the 5.7 million acres of harvestable, old-growth forest land in the Tongass, two-thirds is already set aside for fishing, wildlife, recreation and wilderness, two-thirds of the commercial old growth forest, 1.7 million acres or one-third was put in wilderness in 1980 and is there in perpetuity. Roughly one-third, 2.3 million acres, is managed for fish and game and wildlife and other uses, which exclude road construction and logging. There remains only 1.7 million acres, or one-third of the harvestable timber, that will ever be logged. That is only 10 percent of the entire 17 million acre forest.

Don Young asked me to emphasize the significance of another piece of legislation, H.R. 1368, a bill recorded by the Forest Subcommittee and the House Agriculture Committee. This requires the Forest Service to meet market demands, up to 4.5 million board feet per decade and does away with the $40 million Federal funding. It is quite similar to my bill. We think that is very significant on the House side.

Mr. Chairman, our bill S. 237 represents a compromise. We have eliminated the $40 million annual Federal funding where so much criticism was formerly directed, and put the Tongass on an equal footing with all of our other national forests.

Much of the testimony from Ketchikan has been prepared without consideration that indeed the bills before this Committee currently eliminate the Federal funding. Additional compromises will be forthcoming as a result of these hearings, and we certainly welcome them. Nevertheless, we must draft this legislation to protect the livelihood and life styles of the majority of the Alaskans in the communities threatened.

Mr. Chairman, there has been some concern over the ability to accommodate the large number of witnesses, and I regret that and I would ask that the correspondence, including the notices and other pertinent data relative to the selection of witnesses be made part of the record.

I thank you, Mr. Chairman. I look forward to the views of my fellow Alaskans and thank you very much for the opportunity to be here today.

Senator WIRTH. Thank you. Senator Burns?

## STATEMENT OF HON. CONRAD BURNS, U.S. SENATOR FROM MONTANA

Senator BURNS. I will be brief in my remarks this morning. We have a very long day ahead of us. This is my first trip to Alaska, and I have come here to listen to Alaskans. I come from the State of Montana and I bring you greetings from the great state of Montana as one flatlander to another, and it is a pleasure for me to be here.

Even though we just arrived, I can see that we have similar situations. The only thing is that your state dwarfs my own, but we have common problems. We depend on tourism for much of our economy. We also depend on timber products, an industry that provides a lot of our jobs. These similarities and some other reasons are why I have come to this hearing. We are very interested in the eventual legislation and the potential effect that it might have on my home state and, of course, the whole nation.

More than that, I am interested in hearing from the people who would be most affected by these deliberations. So many times, legislation passes out of Washington that has social and economic impact on those communities that will be involved. I believe that decisions that we make on Federal lands must be done with full consideration of local economies and local communities.

I believe in a balanced use of our national forests, each forest in the United States. They vary and they are unique in their own makeup, and management practices will have to vary and be unique to those individual forests.

We have situations in the lower 48 states where the single use concept is not working the best down there. Congress should avoid micro management decisions. The current 450 million board feet annual requirement may or may not be supportive when the current planning process is completed, keeping in mind that there is no mandate to cut that much but you can cut up to that point. If the revised forest planning for the Tongass indicates that this level of harvest is not sustainable, we ought to take another look, reassess our goals with a full look at disclosure, the result of a long-term effect on the current industries and the communities that are directly effected.

Again, I am looking forward to testimony from Alaskans. I understand that there were many more that wanted to testify. We had many more requests than time would permit. I invite those people to submit testimony to the Subcommittee in writing.

Mr. Chairman, I think it is to your credit that yesterday the hearing went very well. I am looking forward to a lively debate today in hearing from Alaskans. You did a wonderful job yesterday, and I am looking for your performance to be as good today. Thank you very much.

Senator WIRTH. Thank you very much, Senator Burns.

Before beginning the hearing, let me take care of a few administrative details. We are first going to hear from several panels of witnesses. Before that we are going to make sure that our microphones are working. Miracles of modern science.

After the panels have concluded, we will hear from individual witnesses. Both the panels and individual witnesses should check the witness list posted outside to give you an approximate idea of when you will be testifying. After the panels have concluded, further instructions will be given to those on the individual witness list before they testify.

As I requested earlier, all of the witnesses on this morning's panels who are here should take a seat in the section reserved for you in the first few rows of the chairs to the right. When your panel is called to testify, please take a seat on the first row of the reserved section. You will be in our so-called "on-deck circle," and the preceding panel will come up and take a seat on the stage. In other words, what we would like to do is have the first panel here, the second panel in the on-deck circle and then we could just move as rapidly as possible.

The staff will collect statements from you when you are in the on-deck circle. Because of the large number of witnesses appearing today, it will be necessary to limit each panelist's oral testimony to three minutes. Your testimony will be included in full in the record but only a three-minute oral time is available. Please keep an eye on the timer right here. The timer has a green light and a red light. If you are in the green light your time is running. When the red light goes on, I will move in and ask you to please stop. That might appear to be rude, and I might stop you sometimes in the middle of a paragraph, but I will ask you to understand that if we do not do that, we will be here to the middle of next week. And I do not think anybody wants to do that.

The hearing record will remain open for two weeks for additional statements or additional material you might want to add to that record, and if anybody here would like to submit a statement for the record, please send it to the Subcommittee office in Washington or give it to us before we leave today.

Many of you have statements from other individuals; and if you want to submit those, please make them available to one of the members of the professional staff or to any of the three of us and we will make sure that those are inserted in full in the record.

With that I believe we are ready to go. Governor Cowper is coming and we will move right to him as soon as he arrives. So, let us start with Panel Number 1 and if the members of that panel would come up and join us at the witness table I would appreciate that.

Panel Number 1 is Mr. William Privett, President of the Southeast Conference, accompanied by Mr. McKie Campbell. Second, John Dapcevich, the Mayor of Sitka; Lydia George, Angoon City Council; Larry Powell, Mayor of Yakutat; Mark Kirchhoff, spokesman for Point Alexander; Diane Ziel of the City Council of Tenakee Springs; Dick Eliason of the State Senate; Rubin Yost, the Mayor of Pelican; and Paul Johnson, a spokesman for Elfin Cove.

We appreciate all of you being here. I believe that there are enough chairs here at the witness table for all of you. Thank you very much for coming. And I hope the second group will come and join us at that second set of seats, and then we know we are ready to roll with Panel Number 2.

The only exception to the three minute rule—and, of course, rules are made to be broken—Mr. William Privett, the president of Southeast Conference, accompanied by McKie Campbell, has been given a total of six minutes, and everybody else has been given three. Mr. Privett represents a broad coalition of people this morning.

Mr. Privett, why do not you begin, and thank you all very much.

## STATEMENT OF WILLIAM B. PRIVETT, PRESIDENT, SOUTHEAST CONFERENCE

Mr. PRIVETT. Thank you. Mr. Chairman, members of the committee, Senator Murkowski, and fellow Alaskans and visitors. My name is Bill Privett and with me is McKie Campbell from Juneau. I am president of the Southeast Conference and Mr. Campbell is vice-president. We are both members of the Southeast Conference, a special committee on the Tongass. We sincerely appreciate this opportunity to meet with you and the time that you and your staff have taken to make this possible.

The Southeast Conference is a nonprofit corporation comprised of members representing communities, businesses, and individuals from Southeastern Alaska. The mission of the conference is to build and maintain a stable, diversified economy that provides for an improved standard of living, quality employment and business development opportunities for the people of Southeast Alaska through prudent use of our resources.

With that mission in mind, Alaska timber, the Board appointed a special committee on the Tongass. They explored the possibility of working with management on legislation for Tongass National Forest that would represent diverse and varying underlying interests for the communities of Southeast Alaska. We perceived our charge as hard-working, deeply concerned Alaskans who had personal sensitivity to employment of their friends and neighbors and a profound respect for Alaska's resources in a compromising determination to keep the Southeast alive.

The commissioning forces were in a position because we came to understand the Congress intends to take action on the Tongass and we believe it was irresponsible for us not to give it our best shot.

Committee members, Ralph Gregory, Chairman and Mayor of Ketchikan; John Dapcevich, Mayor of Sitka; Rubin Yost, Mayor of Pelican; McKie Campbell, assemblyman and member of the city of Juneau. This group represents large and small communities, as well as extremely diverse interests. The position that the Tongass committee developed was formed over 22 weeks of work, intense interviews, research and discussion, plus creative negotiations as well as frequent soul searches.

An overview of our findings was that the well-being of the people of Southeast Alaska is inexplicably linked to the management of the Tongass National Forest. The economics of the Southeast is subject to decisions that the Forest Service makes regarding permits, sales, practices and day-to-day management of the Tongass.

The 65,000 residents of Southeast Alaska rely on four primary industries, timber, tourism, fishing, and mining, in many cases a subsistence way of life for employment in the economic interest structure. Our economy is beginning to show more strength in traditional industry such as fishing, mining and forest products. It appears that if our trading markets do not falter, we will see continued growth and diversification.

The Southeast Alaska over the last 50 years has given its residents one of the State's most economically diverse and stable geographic areas. However, the future of this economic unit is tied to continued vitality in the timber, fishing, tourism and mining industries, as well as subsistence. These industries are interrelated and dependent on one another for their viability.

If the committee gains anything from their visit to take back to your colleagues, we hope it is this: The position that the Southeast Conference has designed has been developed by Alaskans. It is our economic livelihood. The Tongass is our future. The action Congress takes will immediately and directly impact the 65,000 people living in the Tongass who deserve to be heard.

It is your burden to continue to hear the questions surrounding the Tongass National Forest, complex, extremely emotional, modern, and detailed explanations and arguments of special interest groups. Debate is serious and sometimes painful. We always reflected the need to clarify the mission of the U.S. Forest Service in the Tongass.

We began our work by identifying the underlying interests of communities into general consensus points. These points were distributed, debated, expanded and refined. The committee then went to work melding the general consensus points into a specific policy statement that I am officially giving to you today.

Mr. Chairman, let me respectfully suggest to you and your colleagues and your staff that anyone deciding to explore this issue reasonably will find that there are five major areas that must be addressed. I will identify those as how the Southeast Conference addresses them.

First, we must clarify the mission of the National Forest Service in the Tongass. The Southeast Conference proposes that this be a clear multiple-use mission, and that includes allowable harvest of up to 4.5 billion board feet per decade, adjusted at the Secretary's discretion depending on market conditions and subject to multiple use values for the Tongass Forest. This serves to maintain existing jobs in the forest while protecting fish, wildlife and their habitat.

Second, we must ensure that the Forest Service is able to make marginal timber stands viable sales for the industry and sustain other values. The Southeast Conference proposes establishment of a specific and intensive management fund to do so.

Third, we must protect the areas from timber harvest which have high values of fish and wildlife production and community use of those areas. The Southeast Conference proposes 12 areas be set aside from timber harvest and be put in LUD 2 designation.

Fourth, we must increase the land trades to increase the timber base for the allowable harvest level, which is to include potential use of harvested land. The Southeast Conference recommends land trades, exchanges, or purchases of non-wilderness lands.

Finally, we must provide opportunity to strengthen the Southeast economy. To meet this need, the Southeast Conference proposes the establishment of an economic diversification fund of grants and loans.

There is probably no specific interest group that is totally satisfied with our position. The position remains controversial, particularly within environmental and timber industries. We have worked to protect the contracts and the small mills, and yet we recommend that the Secretary determine the appropriate harvest level for the Tongass land management planning process, depending on market conditions and subject to other uses of the forest. We have come to understand in the performance of intensive management land trades and purchases may be the only way to increase the land base, and it is just as important as economic diversification.

Please understand that this is a fragile package that is balanced by the five key elements that are of equal importance. It is fair, reasonable and critical to the people of Southeast Alaska, critical because it addresses the importance of strengthening and diversifying our economy. We realize that this is a national forest being managed in the interest of all Americans.

Senator **Wirth**. Now, your final words will all be in the record as well as your proposal. You see, now we are moving; when the red light goes on, then we move. Thank you very much.

Mr. Privett, we appreciate the work you and all of your colleagues have done. Mr. Dapcevich was our host last night, as Frank Murkowski pointed out. There were a very diverse group of people on the boat, and that beautiful evening in Sitka we thank you very much for, Mr. Mayor.

## STATEMENT OF JOHN DAPCEVICH, MAYOR OF SITKA, AK

Mr. **Dapcevich**. Good morning. I would like to extend a very warm Sitka welcome to Senators from Colorado and Montana and to our own Senator, Frank Murkowski, and to members of your staff.

For the record, my name is John Dapcevich. I am the mayor of the city and borough of Sitka, Alaska, and I am a 60-year resident of Alaska.

I was a member of the Southeast Conference Task Force which reviewed Tongass legislation and made a recommendation to Congress and our Governor.

To better understand the economic impact to Alaska, I would like to offer an analogy concerning Colorado showing the effect Mr. Wirth's bill would have on our state.

The city of Denver, Colorado, in Senator Wirth's own state is currently embroiled in a dilemma of whether or not to build a new airport. Stapleton Airport has some 21,000 direct jobs. By 1995 this number is expected to increase to 25,000.

The new airport would build a stronger economy and brighter future for Denver. It would defend Denver's status as a national hub. It would create 90,000 new direct, indirect, and tourism-related jobs. It would create 2,500 construction jobs per year during the four years of construction.

However, Denver has a major air and noise pollution problem that traps carbon monoxide, ozone and particulate matter over Denver. This problem is caused by airplane emissions from the 522,000, that is the 1988 figure, takeoffs and landings of aircraft at Stapleton Airport. This number is expected to increase to 817,000 takeoffs and landings by the year 2000.

The pollution problem is further compounded by the 10,000s of vehicles driven daily by the persons who have the direct and indirect jobs created by the airport being a national hub. This problem will be further aggravated by the expansion of the current airport or by the construction of a new one.

Now, if Senators Murkowski or Stevens were to introduce legislation to reduce Stapleton to a regional airport, instead of a national hub, thousands of direct and related jobs would be lost to Denver. Our Senators could be justified in such an action, since it would reduce the air and noise pollution in Denver.

I most certainly do not advocate such action, but I point this out to demonstrate what would happen to Southeast Alaska should Senator Wirth's bill be enacted into law. A drastic reduction of flights at Stapleton would not be as devastating to Denver's economy as would the closure of the pulp mills to Sitka.

Thomas Jefferson once said, "The care of human life and happiness, and not their destruction, is the first and only legitimate object of good government."

Thank you for giving me this opportunity to present my views on this legislation. I hope you will consider the compromise forged by the Southeast Conference of Cities.

I am also submitting detailed written testimony, which I hope you will read thoroughly.

In conclusion, thank you for coming to Alaska to hear from us Alaskans firsthand.

[The prepared statement of Mr. Dapcevich follows:]

City and Borough of Sitka

304 LAKE STREET . SITKA, ALASKA . 99835

### TESTIMONY OF MAYOR JOHN DAPCEVICH
### CITY & BOROUGH OF SITKA
### AGAINST THE WIRTH BILL
### BEFORE THE SENATE ENERGY AND NATURAL RESOURCES COMMITTEE
### OF THE UNITED STATES SENATE
### AT SITKA, ALASKA, APRIL 25, 1989

Mr. Chairman, my name is John Dapcevich. I am the Mayor of the City and Borough of Sitka. I am also a sixty year resident of Southeast Alaska, and a life long Democrat. I was a member of the Southeast Conference Task Force, which has reviewed Tongass legislation and made a recommendation to Congress and the Governor.

Sitka is the most beautiful city in Alaska. We have 8,500 residents and a diversified economy consisting of timber, fishing, tourism, and education. We want to maintain that diversity. We also want the federal government to keep its word on maintaining the jobs of timber workers in exchange for wilderness.

To begin with, I would like to give a historical preface to show how we arrived at the Alaska National Interest Land Conservation Act (ANILCA) in 1980.

Prior to World War II, Alaska was a sparsely inhabited Territory with less than 70,000 residents, mostly Natives. Juneau and Ketchikan were the two largest cities with approximately 5,000 and 4,000 persons, respectively. Sitka's population was under 2,000.

Southeast Alaska's main economy was made up of fishing, mining, and tourism. The timber industry was small, with a smattering of sawmills throughout Southeast Alaska. These mills produced nothing for export.

Their total production was used to supply the communities' individual lumber needs. Tourism consisted of passenger vessels, which also carried freight. There were some three dozen of these vessels that served Southeast Alaska, many of them only from May to September. Tourism ceased during World War II and was very slow to rebound. In fact, there was no significant tourism until shortly before Statehood (1959).

There were several "boom and bust" construction cycles following the war. These were due to a military buildup and the establishment of an Defense Early Warning System.

Although most of these defense projects were in the interior part of Alaska, many Southeasterners went north to work on the projects. They left their families home. Actually, there were many career construction workers living in Southeast Alaska who prospered and suffered during these boom and bust situations.

Prior to World War II, the Caucasian population was small. Men outnumbered women as much as ten to one in some areas. As a consequence, prostitution flourished. There was a "line" in every city, a "line" referring to the rows of houses of ill repute. They were allowed to operate without interference from the law until the mid-fifties.

The canneries imported most of their labor from the lower 48 states. This labor force was mostly made up of Filipinos, who worked, ate, and slept on the cannery property. They left the state at the end of each season with all of their earnings. Local Natives, and some older Alaska high school students were also used.

The canneries' fish traps were raping and reaping the salmon resources. This practice went on almost unchecked. If it were allowed to continue, we would not have the fishing we enjoy today. The Territory of Alaska had no authority to abolish fish traps. That was one of the predominant reasons there was such a clamor for Statehood. The fish traps were eliminated in 1959 after Statehood was achieved.

In Juneau, the Alaska-Juneau (A-J)gold mine, the largest of its type in the world, was indeed a sight to see. The A-J mine produced 10,000 tons of crushed rock daily. It employed 1,000 men and operated three shifts year around. Most of the labor came from Europe. Irish, Russians, Finlanders, Serbs, Greeks, and others made up most of the work force. Most of the miners were either single or left their families in the old country. Labor was cheap, working conditions difficult and dangerous, yet people stood in long lines waiting for someone to get killed or injured so they could take their place. This, incidentally, is what brought my family to Alaska in 1928.

Sitka had its economy built around fishing, a sawmill, and some small mining activity in the area. There were two fairly large mines operating on West Chichagof. They used Juneau more than Sitka for a supply source for materials and labor.

In 1947, Harry Truman was President and Alaska was an organized Territory, more than ten years away from Statehood. Our trade was almost totally with the lower 48 states. Our biggest industry, the fishery, produced only 20 million dollars in sales. Contrasted with the current trillion dollar federal budget and high deficit, at that time, the federal budget was 37 billion dollars with a one billion dollar surplus.

In the same year, Congress passed the Tongass Timber Sales Act. This committed Southeast Alaska's future forest products industry to dependence on the dissolving sulfide pulp mills, still in operation today. Congress was also moved to assist the pulp mills by a desire to promote "the national defense through increasing the population and the industrial capacity of Alaska" and the desire to make "available to the national economy valuable and sorely needed products from the great forests of Southeast Alaska".

Since Statehood, fishing has rebounded because of strong enhancement programs and because of the 200-mile limit control given to the United States from the Laws of the Sea Conference.

This brings us up to 1980 and the Alaska National Interest Land Conservation Act, also known as ANILCA.

One of the most difficult issues which faced Congress during ANILCA deliberations in 1980 was to simultaneously satisfy the national desire for protection of large acreages of wilderness in the Tongass National Forest while maintaining employment in the existing timber industry which depend on federal timber supplies. Section 703 of ANILCA designated 5.5 million acres of the Tongass National Forest as wilderness. Section 705 specified a timber supply of 4.5 million board feet per decade for the dependent industry and provided a continuing appropriation of no less than $40 million per year to the Forest Service in order to make the timber supply available. Section 705 reaffirmed the forest service's long standing social objective of creating and maintaining year around employment and community stability based on the timber resources of the Tongass National Forest.

In short, Section 705 was a key part of the overall compromise which made ANILCA possible in 1980. One of its key architects, Senator Tsongas, described the compromise as follows:

> The greatest fear regarding the timber industry in Southeast was that so much area was placed in wilderness that the cost of maintaining the timber harvest might be beyond budgetary expectations. In view of these fears, Section 705(A) has been modified to ensure the availability of funds. Rather than specify the extra funds needed, a mechanism has been provided whereby the Secretary each year will obtain all of the funds needed. The amendment assures the availability of at least $40 million. These funds are intended to be spent in the same manner and for the same purposes as those provided in the committee bill. These include expenditures for stand improvements, the timber and road program, and related capital investments but also include the regular costs of sale and road layout and preparation and may include research activities which contribute directly to improved timber utilization and advance technology. In addition, the amendment provides a decade sale average of 4.5 billion foot board measure so that the United States Forest Service can adjust the

> yearly sale offering upward or downward in any one year to adjust for annual sale fluctuations to assure the maintenance of 450 million average annual harvest.
>
> 126 Cong. Rec. S. 11192 (Daily Ed. August 19, 1980).

Congressman Udall agreed with the general thrust of Section 705:

> It is clear that any and all sums transferred to the Secretary of Agriculture under Section 705 are to be employed by the recipient Secretary for the purpose of implementing the provisions of the Tongass Land Management Plan in the Tongass National Forest. Neither Section 705 nor any other section of the senate bill requires or authorizes any revisions in the Tongass Land Management Plan, which will continue in effect unless and until it is revised at the end of the initial planning period in accordance with the National Forest Management Act and other applicable law.
>
> 126 Cong. Rec. H. 10544 (Daily Ed. November 12, 1980).

Notwithstanding the clear understanding of the parties to the compromise, the Wirth bill would repeal it.

The Committee needs to think through what repeal of Section 705 would really mean. Since Section 705 consists of previously appropriated timber sale layout and sale management monies, as well as incremental monies to provide for intensive management; repeal could well mean that there is no timber management money for Southeast Alaska and thus, no timber program. If this is the case, the holders of the long term timber sale contract will have a cause of action for failure to provide the volume required by their contract. Small operators will have contract action for those contracts which they are then operating and which are abrogated by the lack of timber sale management money. Workers would simply be laid off and dependent communities left without this important taxing and indirect economic benefit source of funds. In short, repeal could mean that an economic disaster for Southeast Alaska would occur.

As the McDowell study shows, which I have attached to my testimony, the loss of the pulp mill would cause a major economic disaster in Sitka, comparable to what the oil spill has meant to Valdez. We would lose approximately 400 direct jobs and up to 400 additional indirect jobs. The remaining taxpayers would have to take over Alaska Pulp Corporation's (APC) share of payment for the existing infrastructure, including water, sewer, and electricity. For instance, APC has reduced taxes for us all by paying $10 million for excess power from our Green Lake dam over the last six years.

The cancellation of the long term sales proposed in the Wirth bill would result in closure of the pulp mills. Each mill has testified that it would be unable to obtain short term financing in bad markets without an adequate supply of timber. Thus, at the next down turn in the pulp market, our mill would close. Furthermore, the rest of Southeast Alaska would be hurt. This would mean that there would be no market for approximately 50% of the harvest, including that of private land owners for all of the lower value material which cannot e sold in export. This is why Forest Service planners sought to establish the pulp mills in the first place.

The failure to seriously consider points like this, and the apparent effort by the environmental community to pass legislation in advance of the Tongass Land Management Plan (TLMP), which is supposed to deal with these issues, cause those of us who live in Southeast Alaska to worry that there is little or no concern in Congress for the working people of Southeast Alaska. For example, the people who live in my community of Sitka are totally dependent for employment upon those resources and industries which are located in Sitka. They are not free to live in Sitka and commute, for example, to Juneau, or to Seattle, or to some other area for employment. If the opportunities for employment in Sitka are lost, the opportunity to live in Sitka would also be lost.

I understand, Senator Wirth, that you will be going to Valdez after this to look at the man made oil spill disaster in that community. Is it your intent to premeditatedly author a similar disaster for Sitka?

We are concerned with the anti-job arguments being made by you and the groups which are advocating your bill and the termination of the long term sales and the set aside of 23 new non-logging areas which your bill proposes. Some people cite concern about fish and game. This concern needs to be balanced. For example, the fish processors in my community have told me that if the Alaska Pulp Corporation (APC) were not in Sitka to help defray community utility and bonding costs, they could not afford to operate. The record fish runs in Southeast Alaska also show that logging and fish are compatible industries. There also appears to be an increase in game activity in Southeast Alaska in past years, resulting in adjusted bag limits with regard to game.

In addition, all of these arguments in favor of the Act were made during the four years of debate on TLMP, which was the basis of Section 703-Section 705 compromise and thus, were considered by Congress. As Senator Tsongas pointed out:

> Fortunately, the Tongass plan is done. And it shows that it will work. It shows that the goals of timber production, fisheries, and wildlife protection and wilderness preservations can be put together in a package like the Tongass law package and there will be no job loss.
>
> 126 Cong. Rec. S. 9428 (Daily Ed. July, 1980).

Other people cite economic reasons for passage of your bill. They argue that the money being spent on the Tongass results in below cost sales in which the federal treasury gets considerably less in timber receipts than the money it spends. This is not a valid argument for amending Section 705 of ANILCA by passage of the Tongass Timber Reform Act for two reasons:

The first reason is that stumpage rates have gone up as a result of improved markets in the Orient. I believe there has been a fundamental permanent change in the market structure caused by the change in the yen-dollar relationship. This will result in increased stumpage share revenues to Sitka and other timber dependent communities such as Ketchikan. APC has recently worked out contract changes with the U.S. Forest Service which could, and probably will, increase its stumpage rates.

The second reason why those advocating passage of the Wirth bill for economic reasons are wrong is purely a social/jobs reason. The existing primary manufacture policy sacrifices federal revenue in order to create jobs. Here is how it works: Since the inception of the timber program in the Tongass National Forest, the rule has been that round logs cannot be exported. Value must be added in the form of primary manufacture before a timber product can leave the Tongass National Forest. The private landowner is under no such constraint. Corporate reports for many private land owners show positive profit levels and substantial cash flow. By the same token, the purchase of national forest timber lost money in the 1980's under this program. (I know for example, that Alaska Pulp Corporation, which runs the pulp mill in Sitka, has had severe losses over the last several years, although since markets have picked up, it may be making money now.)

When one compares the money being made by round log export versus the losses suffered as a result of primary manufacture, it becomes quite clear that the federal government could make a lot more money on stumpage if round logs from the national forest were exported. The only loser would be the workers and the communities which depend upon the primary manufacturing facilities for jobs they provide. Those jobs would be exported from Alaska to the Pacific rim.

So, as we see it, those who cite concerns about below cost sales as a reason for passing the Tongass Timber Reform Act must have one of two things in mind:

(1) Killing the timber industry altogether, which they say they do not want to do; OR

(2) Exporting the timber in the round so it will make money.

In either case, the dependent communities lose the jobs provided by the primary manufacturing facilities. It follows that I am for retaining the Section 705 compromise and keeping those jobs and keeping them in our Southeast Alaska communities.

A word needs to be said about the 23 non-logging areas proposed in your bill. All of the non-logging areas that could be set aside were set aside in Section 703 of ANILCA. The addition of these areas to your bill makes the timber industry appear to be correct in its charge that your bill is really a wilderness Trojan horse. Senator, we do not need more wilderness. We have that in abundance and are smart enough to keep it, even without your help. We need to maintain our jobs and community.

In conclusion, while I believe that Section 705 can, and should be made to work better, I am totally opposed to passing the Wirth bill because we want these jobs to remain in our communities. Passing the Wirth bill may benefit those advocating more wilderness, but it could devastate us. We are depending upon Congress to keep its word for the benefit of the great majority of our citizens.

In this regard, why not let the TLMP revision process run its course? The draft is anticipated in December 1989. It deals with all the key issues raised by your bill and it reports but treats them in a thoughtful and more objective way. People have participated in this process and have a right to have their participation count. Passage of this legislation which would prematurely come out in favor of one side of the debate would make TLMP meaningless.

Thank you for giving me the opportunity to testify.

DECEMBER 2, 1971

City and Borough of Sitka

304 LAKE STREET. SITKA, ALASKA. 99835

## ANALYSIS OF IMPACTS AND POTENTIAL REPARATIONS DUE TO ALASKA PULP CORPORATION CLOSURE

Testimony before U.S. Senate Energy Subcommittee on Public Lands, National Parks, and Forests Public Hearing in Sitka, Alaska, April 25, 1989

by Stuart Denslow, City and Borough of Sitka Administrator

Any meaningful discussion of proposed changes in Tongass timber management must consider the devastating consequences to Sitka and Southeast Alaska if the Alaska Pulp Corporation (APC) mill were to be forced out of business. To assess the socioeconomic impacts and estimate the reparations necessary to compensate for these losses, the City and Borough of Sitka contracted with the Juneau-based consulting firm, The McDowell Group, to prepare an "Analysis of Impacts and Potential Reparations Due To Alaska Pulp Corporation Closure," completed April 15, 1989.

The analysis was to include scenarios for reductions in APC operations, but substantial reductions may not be economically feasible, and a 50 percent reduction in log supply is more likely to result in full closure. Closure would result in a loss of one-fourth of Sitka's economic base and would be felt in every segment of Sitka's economy. The timing of these impacts would likely be experienced within two years, with an initial period of outmigration and economic recession followed by a prolonged period of personal and business bankruptcies, collapse of the real estate market, business closures, reductions in government services and additional job loss and outmigration as the effects ripple through the support sector of the remaining economy.

Population loss of 2,050 residents, 24 percent of Sitka's total, is based on employment loss. It would occur for the most part within a year, though outmigration may be slowed by people being unable to sell their houses. Assuming households affected by APC's closure are typical of the community in terms of number of school children, 413 of the 1713 Sitka public school enrollment (24 percent) would be lost. A proportional share, $1.5 million, of the State of Alaska School Foundation Fund, and other proportional funding sources amounting to another $0.5 million, would also be lost.

The basic industry losses of 375 APC employees plus a longshore crew of 20, with an APC payroll of $17 million, would be lost. Removal of the $17 million APC payroll from trade, service, and other private sector support industries which benefit from APC accounts for 29 percent of all basic industry income to Sitka. The likely loss of most or all of the U.S. Forest Service employment of 111 and their payroll of $3.4 million would increase all impacts shown in this analysis by another 28 percent. For example, population loss would total 2,624 or nearly one-third of the community, rather than the 24 percent shown in this analysis, which is confined to the direct loss of APC operations.

Support industry employment loss would total an additional 599 persons, with an estimated 459 jobs in the private support sector and 140 support industry government jobs lost. In total, about one-fourth of all Sitka jobs would be lost, including all of those in the highest paying industry, forest products. Payroll losses would total $37 million, or 29 percent of all income earned in the Sitka economy. Sitka's average monthly wage would drop from $2,033 to $1,885 per month if the highest paying sector, forest products, were removed.

Declines in gross business sales are assumed to be in direct proportion to losses in total income--a 29 percent loss. An estimated $37 million loss in business sales would result, with $19 million of it in retail trade. Further sales decline could result because industries which maintain a stable economy such as construction would be virtually eliminated.

Municipal utility and property tax revenues would be affected through the direct loss of APC payments, such as the $1.4 million in electricity, $100,000 in water, and $326,000 in property tax paid by APC, as well as through population loss and related decline in the commercial sector. Direct funding from the State of Alaska through Municipal Assistance and Revenue Sharing would be reduced in proportion to the population loss. The mill pays 17 percent of property taxes in Sitka, and APC-employed households pay an additional 18 percent.

The largest economic losses are likely to be in the decreased value of all forms of real estate. If Sitka were to lose 24 percent of its employment and 29 percent of its payroll (a moderate estimate), a 40 percent loss in the value of all residential real estate could be anticipated. If the average Sitka single family homeowner owns a $120,000 home, it would be worth $72,000 following APC closure, a loss of $48,000 per family. For the economy as a whole, real estate losses would be $84 million. The study team felt real estate losses could well exceed 40 percent simply because there would be no market for the more than 600 vacant housing units which will result from APC closure. For purposes of the analysis, commercial real estate values are assumed to fall in proportion to the loss of gross business sales at 29 percent. This converts to a $16 million loss. Industrial real estate would experience a loss of $59 million. In total, Sitka's real estate value losses should total $171 million, assuming the 40 percent loss in residential real estate is not conservative.

What do these economic losses mean in terms of social and other less quantifiable but equally devastating impacts? First, services would be significantly reduced. With a loss of 400 students, school staffing would be reduced by one-fourth, maintenance and utility costs will not be reduced, and cost per student would rise with funding dramatically reduced, which would likely result in a decline in the quality of education.

Services at the municipal hospital would decrease dramatically, with a minimum of a 50 percent loss in patients and revenue, due to loss of population, insurance coverages, and incomes adequate to permit elective medical care. Staff and medical services would be reduced or eliminated, and Sitkans would have to leave town to obtain those types of care. Rates would rise, and the quality and quantity of health care would decrease, with the average Sitka family having less ability to pay for what health care remains.

Local government administration would lose significant state funding and result in layoffs in the schools, hospital, public services, and other municipal staff. Everyday services such as police and fire protection, street maintenance, and utilities would be reduced. Bonding ability of the municipality would be significantly reduced.

A severe economic recession increases the need for social services, but a smaller population and less money results in less social services to meet the demand. Such problems as domestic violence, alcohol and drug abuse, divorces, bankruptcies, and job loss and financial stress are all exacerbated.

The 70 percent of households in Sitka which own their homes would have negative equity in their investments, losing an estimated $48,000 in value on the major source of financial security. They would be unable to sell their homes for what they owe on them and may not be able to sell them at any price.

Discretionary spending would be severely reduced, with those in the durable goods business often the first to close. Donations to charities would suffer, providing less resources to help the needy. The poorest families would suffer disproportionately, as they have the least resources to find other emploment. An APC closure would have especially severe effects on the Native population. 145 Natives hold mill jobs at APC, and Native people have less economic mobility and would have a greater degree of economic and emotional duress due to less average income and fewer alternatives for work.

Support sector impacts would be far reaching. The construction industry would be devastated, with loss of much of this industry's $4 million payroll. Other industries, such as transportation services, utilities, trade and seafood industries, finance, insurance and real estate would all be reduced, with fewer jobs, services and goods available. Service industries are expected to decline in relation to the 29 percent loss of income in the community.

Other communities have experienced devastating economic recessions during the 1986-88 period. Juneau's recession drove real estate values down by one-third and was the result of a loss of less than 10 percent of the economy. In Anchorage, where the real estate market collapsed, banking system destabilized, thousands of homes were left empty, businesses closed, and business and personal bankruptcies continue, the economic loss was less than 15 percent of the total employment. The 1970's recession in Seattle triggered by Boeing, when signs appeared saying "Will the last one out turn off the lights?" was a loss of just 5 percent. Sitka's potential loss of one-fourth of its economic base is far more severe than any of these, with the analysis of impacts resulting from the closure of APC erring, if at all, by being too conservative.

An economic dislocation of the scale of Sitka's projected loss would cost home owners an average of $50,000 in home value with no market to sell to. Job losses, financial ruin, personal trauma and increased social problems are inevitable. Leaps of 50 percent in utility rates and property taxes; cutbacks in municipal services such as police, fire, health care, and education; higher prices for goods and services; and less selection are certain to occur. The business community would be financially devastated, and perhaps a third of all businesses would close, accompanied by bankruptcies, defaulted loans, loss of hundreds of jobs, and collapse of the real estate market.

The decline certain to be caused in Sitka by an APC closure would have twice to three times the proportional impact which the Alaska recession had on Anchorage. Declines of the potential Sitka magnitute made have unknown impacts in addition to those quantified and qualified in the McDowell report, since no Alaska community has experienced so severe an economic contraction in recent times. With the additional potential loss of U.S. Forest Service employment, a 33 percent or greater loss to the community's economic base would follow, and the impacts would be even more exaggerated than previously assessed.

The forest products industry is critically important to Southeast Alaska. The loss or severe restriction of this industry would impact every resident of the region, forcing many to leave with huge financial and emotional losses, and causing continuing personal losses and devastating socioeconomic consequences for those who remain. The crippling impact on the community of Sitka caused by the forced closure of Alaska Pulp Corporation would be almost impossible to measure adequately, and no amount or form of reparations could begin to compensate either the community as a whole, or its individual residents. I urge you to recognize the urgent need to resolve the continuing controversy over the Tongass by providing for adequate timber supply, in order to permit Sitka and other affected communities to continue to remain economically viable.

Thank you for the opportunity to comment.

THE MCDOWELL GROUP
MANAGEMENT AND ECONOMIC CONSULTANTS
*a division of*
DATA DECISIONS GROUP, INC.

# Analysis of Impacts and Potential Reparations Due to Alaska Pulp Corporation Closure

Prepared for:

City and Borough of City
Sitka, Alaska

Prepared By:

The McDowell Group
Juneau, Alaska

April 21, 1989

128 DIXON STREET JUNEAU, ALASKA 99801 PHONE: (907) 586-6126, 586-2593

# Analysis of Impacts and Potential Reparations Due to Alaska Pulp Corporation Closure

The purpose of this analysis is to provide estimates of the socioeconomic impacts of the possible closure of the Alaska Pulp Corporation and to estimate in turn the reparations necessary to compensate for these losses. Reconsideration of the management policies of the Tongass National Forest could affect the timber supply for the Alaska Pulp Corporation to the point where permanent closure is the only economic alternative.

This analysis was to include scenarios for reductions of 1/3 and 1/2 in the scale of APC operations. However, interviews with corporation officials and the consultant's knowledge of the economics of major manufacturing operations both conclude that reductions of this magnitude may not be economically feasible. Major plants have economies of scale operating at full capacity which they do not have at 1/2 or even 2/3 of capacity. A reduction of 1/2 in log supply is more likely to result in full closure than in reduced operations.

For readers interested in the impacts and reparations of partial operations scenarios, simply take 1/3 or 1/2 of the losses shown for the closure scenario except for losses in real estate values, property tax and utility revenues. Losses of all other items on the enclosed table will be proportional when they are played out over time. The reaction of the real estate market in the partial closure scenarios are likely to be more than 1/3 to 1/2 of the full closure losses because real estate overreacts to economic change.

The actual timing of these impacts will vary depending on the financial condition of affected families and the schedule for shutting down. Studies of significant economic change in other Alaska communities show almost all impacts are fully experienced within two years with the heaviest impacts being within the first six months. The initial period of outmigration and economic recession is followed by a prolonged period of personal and business bankruptcies, collapse of the real estate market, business closures, reductions in government services and additional job loss and outmigration as the effects are played out throughout the support sector of the remaining economy.

**Population**
The population loss of 2,050 residents, 24% of the Sitka total, is based on employment loss. While population loss does lag employment loss for some

period of time–a month or two to over a year, depending on the financial condition of families affected–population will eventually equal the employment loss. Population in the Sitka case may be slowed by people being unable to sell their houses. During the Alaska recession of 1986-88, when the housing market was depressed it was not uncommon for families to simply leave their houses when they had to move to other places for employment.

### School Enrollment

The assumption is made that the households affected by APC closure are typical of the community in terms of number of school children. This means 413 of the 1713 Sitka public school enrollment (24%) will be lost. With them will go a proportional share ($1.5 million) of the State of Alaska School Foundation Fund which provides the Sitka School District with most of its $8 million annual budget. State contributions are based on enrollment. Not included at this time are estimates of additional school funding losses from other sources including local contributions, Public Law 874 funds and other sources which provide the district with another $2 million. Certainly the local ability to contribute will be reduced. Were these losses proportional to student loss, another $0.5 million would be added to the loss column.

### Employment

Basic (direct) industry losses are simply the 375 APC employees currently working plus a longshore crew of 20 which handles pulp shipping. Not included in these number are the likely loss of most or all of the U.S. Forest Service employment of 111 and their payroll of $3.4 million. Were U.S.F.S. employment and payroll to be lost, all impacts shown in this analysis would be increase by another 28%. For example, population loss would total 2,624 or nearly 1/3 of the community rather than the 24% shown in this analysis. This analysis is confined to the direct loss of APC operations.

Support industry employment lost would total an additional 599. Support employment in the private sector is calculated by reducing it in proportion to the basic industry income lost by removal of the $17 million APC payroll from trade, service and other private sector support industries which benefit. APC accounts for 29% of all basic industry income in Sitka. The private support sector reacts more to changes in income available in the local economy than to population and an estimated 459 jobs would be lost. Government support industry losses in local, state and federal government employment are based on population rather than income loss, because most government services are provided roughly in proportion to the size of the population being served. One hundred forty support industry government jobs would be lost.

In total, about one-fourth of all Sitka jobs would be lost, including all of those in the highest paying industry, forest products.

**Payroll**

Payroll losses total $37 million, or 29% of all income earned in the Sitka economy, including seafood harvesting income which in not usually included in Alaska economic analysis. The payroll estimate is done by totalling the direct APC payroll loss of $17 million plus the support sector private and government payroll ($12 million) associated with those 599 positions. Average private and government support industry salaries are used.

**Average Wage**

Sitka's average monthly wage will drop from $2,033 to $1,885 per month when the highest paying sector, forest products is removed. APC workers averaged $3,600 in 1988, 77% above the community average. The standard of living and the health of the business community will be significantly lower in Sitka for those remaining following APC closure.

**Gross Business Sales**

Declines in gross business sales are assumed to be in direct proportion to losses in total income, -29%. An estimated $37 million in business sales will result, $19 million of it in retail trade. Further sales decline might result because those industries which maintain a stable and growing economy, such as construction, will be virtually eliminated.

**Municipal Impacts**

Municipal utility and property tax revenues from all sources will be affected in two ways. One is the loss of direct APC payments such as the $1.4 million in electricity, $100,000 in water and $326,000 in property tax paid by the company. In addition, the population loss and related decline in the commercial sector will significantly reduce municipal receipts.

Electrical revenues will be reduced by the $1.4 million in direct APC payments plus another $1.3 million will be lost if all other electrical demand is in proportion to the population being served. Water demand is also expected to decline in relation to the population, costing $55,000 plus the annual APC payment.

Property tax losses are based on the loss in value of each of four categories–residential, commercial, industrial and, vacant and other. Industrial property tax assumes the current assessed value of APC of $59 will be $0 upon closure but that the other $17 million in industrial property will remain unaffected, though an area wide real estate depression will probably have some effect on the value of the holdings of other industries.

Direct funding from the State of Alaska in the form of Municipal Assistance and Revenue Sharing is affected by the APC loss. Municipal Assistance ($720,000 in FY 1988) is directly proportional to population as is about half of Revenue Sharing money ($790,000).

**Real Estate Values**

The largest economic losses are likely to be in the decreased value of all forms of real estate. When demand for real estate changes, price changed tend to be significant since the supply of real estate is relatively fixed. In the case of growth, the supply of land, housing and commercial space cannot grow apace so prices increase sharply until eventually more real estate become available. In a recession the reverse impact on price is more severe than in growth periods because the supply of real estate cannot be reduced.

The recent Alaska recession taught some valuable and painful lessons about real estate values on the economic downside. The case of nearby Juneau provides some insights into what is likely top occur in Sitka were APC to close.

Between 1986 and 1988, Juneau lost a bit less than 10% of its total employment and payroll. Less than 10% of the population left the community before the economy began to recover in the second have of 1988 due to additional state government employment and a major mining development. However, the impacts on real estate value of even this change were dramatic. According to the municipal Assessor's office the value of the average single family dwelling dropped from $128,000 to $85,000, a loss of 1/3 of the total value. Every single family homeowner lost an average of $43,000 in the value of their house between 1986 and 1988. Owners of condominiums and mobile homes experienced greater losses. The Assessor's office estimates that overall, residential property now brings less than 70% of its 1986 value.

Were Sitka to lose 24% of its employment and 29% of its payroll–compared to Juneau's 10% loss–the impact is nearly impossible to estimated. In the case of Juneau, the situation was compounded by existing overexpansion in the housing supply. Without an economic decline some downward price adjustment would likely have occurred but the Assessor's office and other experts feel this would have accounted for a drop of less than 10% in the value of residential real estate property. This leave the impact of Juneau's economic downturn at a value loss of 20% or more.

Currently, Sitka does not have an oversupply of housing and both sale and rental prices are relatively high for the stock which is available. Considering this fact, a moderate estimate of a 24% loss in the economy would be a 40% loss in the value of all residential real estate. If the average Sitka single family homeowner owns a $120,000 home, it will be worth $72,000 following APC closure, a loss of $48,000 per family. For the economy as a whole, residential real estate losses would be $84 million. In the opinion of the study team, Sitka real estate losses could well exceed the 40% simply because there will be no market for the approximately 600 to 700 vacant housing units which will result from APC closure.

Commercial real estate in Juneau was not hit as hard because the oversupply was not as extensive as in residential real estate and because value of commercial real estate is arrived at differently than that of residential real estate. Commercial values fell 5-10%, roughly in proportion to the economic loss. Commercial real estate values are based on the net earnings returned to the owner, rather than the actual value of construction or replacement.

Therefore, when estimating the loss to Sitka, the economic health of the business community will be the primary determinant of commercial real estate values. For purposes of this analysis, commercial real estate values are assumed to fall in proportion to the loss of gross business sales, -29%. This converts into a loss of $16 million.

Industrial real estate has been discussed in the previous section and will experience an estimated loss of $59 million. In total, Sitka's real estate value losses should total $171 million, assuming the 40% loss in residential real estate is not conservative. Real Estate calculations are based on official FY 1988 Sitka City and Borough assessments.

## Summary of Impacts and Potential Reparations Due to Alaska Pulp Corporation Closure

| Impact | Loss | % of Sitka Total |
|---|---|---|
| Population | 2,050 | 24.1% |
| School Enrollment | 413 | 24.1 |
| Employment | 944 | 24.1 |
| Payroll (millions) | $28.7 | 28.5 |
| Gross Business Sales (millions) | $37.4 | 28.5 |
| Selected Municipal Impacts (millions) | $6.4 | 32.7 |
| Real Estate Values (millions) | $170.8 | 46.1 |

# Alaska Pulp Corporation Socioeconomic Impacts on Sitka

## Summary Table

| | Sitka in 1988 with Alaska Pulp Corp. | Alaska Pulp Corp. Impacts | Sitka without Alaska Pulp Corp | Percent Change |
|---|---|---|---|---|
| **Population** [1] | 8,500 | 2,050 | 6,450 | -24.1% |
| **School Enrollment** | 1.713 | 413 | 1,300 | -24.1% |
| **Employment** | 4,127 | 944 | 3,183 | -24.1% |
| Direct | | 395 | | |
| Indirect | | 599 | | |
| **Payroll (million $)** | $100.7 | $28.7 | $72.0 | -28.5% |
| Direct | | $17.1 | | |
| Indirect | | $11.6 | | |
| **Average Wage** | $2,033 | $3,600 | $1,885 | -7.3% |
| **Gross Business Sales** [2] **(million $)** | $131.2 | $37.4 | $93.8 | -28.5% |
| Retail Sales | $67.3 | $19.2 | $48.1 | -28.5% |
| **Municipal Impacts (million $)** | $19.68 | $6.43 | $14.79 | -32.7% |
| Electricity Revenues | $6.70 | $2.70 | $4.00 | -40.3% |
| Water Revenues | $0.33 | $0.16 | $0.17 | -48.5% |
| Property Tax Revenues [3] | $1.94 | $0.90 | $1.04 | -46.4% |
| Sales Tax Revenues [4] | $3.23 | $0.92 | $2.31 | -28.5% |
| Municipal Assistance [5] | $0.72 | $0.17 | $0.55 | -24.1% |
| State Revenue Sharing | $0.79 | $0.10 | $0.69 | -12.7% |
| School Revenue Foundation Formula | $6.15 | $1.48 | $4.67 | -24.1% |
| **Real Estate Values (millions)** | $370.7 | $170.8 | $199.9 | -46.1% |
| All Residential | $209.5 | $83.8 | $125.7 | -40.0% |
| All Commercial | $56.8 | $16.2 | $40.6 | -28.5% |
| All Industrial | $74.9 | $59.0 | $15.9 | -78.8% |
| Vacant and Other | $29.5 | $11.8 | $17.7 | -40.0% |

1. Based on share of total Sitka area employment.
2. Assumes that 28.5% of all Sitka gross sales are due to APC employees, their families, related support sector employees, who together account for 24.1% of the population and 28.5% of total Sitka payroll.
3. Property tax losses based on estimated decline as a result APC shut-down in each of four real property categories. See real estate value detail at bottom of this table. Residential real estate assumed to decline 40% based on similar case during Juneau recession, commercial values reduced 29% in direct proportion to lost sales revenue and industrial property values assumed value of pulp mill at zero, down from assessed value of $59 million.
4. Assumes that 28.5% of all City and Borough sales tax revenues are due to APC employees, their families, along with related support sector workers and their families. This group accounts for 28.5% of all Sitka payroll.
5. School funding is in direct proportion to population, as is municipal assistance. Approximately half of state revenue sharing is directly proportional to population.

# Analysis of Additional Impacts

**Introduction**

In addition to the straight calculation of economic losses in the first section of this report are other losses less quantifiable but equally as important. An economic event of the magnitude of an APC closure would be devastating to any economy. It takes only moderate decline in economic conditions to cause significant damage to an economy.

Sitka's potential loss of one-fourth of its economic base is far more severe than the Seattle Boeing recession of the 1970's when signs appeared saying, "Will the last one out turn off the lights?". In Seattle's case the loss was just 5%, compared to Sitka's potential loss of 24% to 29%. Juneau's recession which knocked real estate values down by one-third and triggered personal and business financial grief was the result of a loss of less than 10% of the economy. In Anchorage–where the real estate market collapsed, the banking system destabilized, thousands of homes empty, businesses closed, malls vacated and a two-year stream of business and personal bankruptcies continues–the economic loss was less than 15% of total employment. Clearly, the proportional loss for Sitka would far exceed these other cases.

**Local Government Impacts**

An APC closure would significantly reduce bonding ability and credibility of the City and Borough of Sitka. Since APC directly provides 20% of the electrical utility income and 30% of the water income, any bonding dealing with these services would be seriously affected.

Local government layoffs are likely to be in proportion to the municipal government's decreased ability to generate revenue. Of the 389 jobs in local government, an estimated 130 will be lost with proportional losses being greatest in hospital staffing.

School staffing will be reduced by one-fourth and the district will be stuck with maintenance and utility costs for the complete school physical plant, which will be underutilized because of the loss of over 400 students. Cost per student will rise, yet State education funding for Sitka will be dramatically reduced. The only alternative is larger classes, fewer teachers and a likely decline in the quality of education.

The municipal hospital will experience at least a 50% loss in patients and revenue. In Fairbanks, for example, where the economy declined about 10%, the occupancy of the hospital declined by nearly half. In times of recession, medical needs are postponed or simply ignored because of the cost to the individual. This is true because unemployed workers and their families have no medical coverage in most cases. In addition, the population requiring medical services will be one-fourth smaller. The net result is the municipality losing significant revenue from fewer patients and in turn having to raise rates to partial make up the difference. These rates must be paid buy the remaining population which will have much less personal income to pay for them. Further, significant reductions in medical staff decreases the quality and quantity of health care available in Sitka. Private practitioners will also be forced to close shop. The end result of an APC closure will be less health care for the average Sitka family and less ability to pay for what health care remains.

Finally, local government administration will lose significant state funding (see main impact table) and layoffs will occur in schools, the hospital and municipal administration. Everyday services such as street maintenance, fire and police protection, upkeep of utility systems and administration will be reduced. Insurance rates may increase as a result of lower levels of fire and police protection.

**Social Service Impacts**

Severe economic recessions are a double-edged sword where social services are concerned. Personal trauma increases the demand for social services but a smaller population and less money mean less social services to meet demand. Such social problems as domestic violence, alcohol and drug abuse, divorces, personal bankruptcies, trauma from job loss and financial stress are all exacerbated by economic catastrophe. Social services are needed to help individuals and families cope with the loss of homes, jobs and financial security.

**Household Impacts**

The average household in Sitka (70% of which own their own homes) will have negative equity in their investment in their home. They will lose an estimate $48,000 in value of their major source of their financial security, their home. They will be unable to sell the home for what they owe on it, making it impossible to leave the community without taking a significant cash loss or just abandoning their home and destroying their credit rating. Anchorage, Juneau, the Matanuska-Susitna area and Fairbanks have had thousands of homes abandoned in their recessions which were moderate compared to the scale of Sitka's with an APC withdrawal. Many households had no other choice than to remain unemployed and drain their reserves, desperately trying to hang onto a house which they owned, which was worth less than they owe on it for which there was no one to sell it to at any price. Home ownership will become an economic yoke for two out of three Sitka families.

Another effect on households in a serious recession is the ceasing, or at least slowing, of discretionary spending. Households become fearful and stop buying a number of goods and services, especially those which cost much (cars, boats, furniture, etc). Obviously this affects the business community and those in the durable goods business are often the first to close and/or declare bankruptcy. While the loss of income may be 29% for the community as a whole the spending of the remaining 71% will be severely curtailed until the economy stabilizes, which could take several years were APC to close in Sitka. All of the cases just mentioned suffered from consumer fear and a halt to certain types of spending. Donations to charities also suffer in recession times so those most essential in hard times–such as the Salvation Army–have less resources to help the needy.

Finally, economic recession of the severity considered here is very regressive. Those with the least economic ability will be the most seriously affected. Families in poor housing, with little or no savings, seasonal or part-time employment and with disabilities, will suffer disproportionately, as they have in other areas of Alaska affected by recession. They will be the first to lose jobs, the first to become homeless, the first to go without adequate medical care and the first to exhaust their reserves. They will also be the least capable of moving to another location and of finding new employment in other areas.

An APC closure would have a disproportionate impact on the Sitka Native population. 145 Natives hold mill jobs at APC and Native people tend to have less economic mobility than other workers. The degree of economic and emotional duress would be greater due to less average income and fewer alternatives for work.

**Support Sector Impacts**
The construction industry, which currently employs 129 on a year around basis, will be devastated as it was in Anchorage, Juneau, Fairbanks and Mat-Su. No new construction will be needed and no government capital projects will be built in a declining community. This industry and its $4 million payroll can be expected to become a fraction of its current size in a matter of months were APC to close.

Support industry manufacturing, which consists of printing and other local functions will also be hit harder than average. It is unlikely the local paper could remain in business with the loss of its commercial advertising base.

Transportation service would be reduced and prices increased because the Sitka market will shrink by at least one-fourth. Air travel, already unusually expensive in Southeast Alaska, would cost more. Communications prices would increase and services decline, not only because of the loss of market but because of the loss of a major source of communications business, APC. The cost of maintaining the communications infrastructure for a smaller economy would increase per unit cost of telephone and long distance service. This raises cost to the remaining households and businesses which are in a poorer position to pay for existing rates much less higher ones.

To recover lost utility revenues from the remaining population and business community, electrical rates would have to be raised 68% above current rates and water fees by 94%. Property tax rates would go up 46%, provided the conservative estimates of loss in property values hold true. While these increased costs would be heavy burdens for the average remaining household, they may impose even greater negative impacts on other basic industries.

The trade industries will be affected by severe losses in sales. A typical business may operate with a 5% to 20% profit margin when times are good. If 29% of the sales are lost as projected businesses must still pay their fixed costs and would forego their profits which are necessary to survival. Hardly a business in Sitka could sustain a 29% loss in income. It can be expected that a significant proportion of Sitka's retail businesses would fail within a year, perhaps a third or more of them. The remaining businesses would need to reduce employment, payroll, inventory and any capital investment they may have been contemplating. Prices tc local consumers would increase because lower sales mean higher costs per unit of sales. Selection would also be reduced and more local money would be spent outside the economy, further weakening the retail sector which has 526 jobs in 1988 and may lose a third or more of them by the time the economy bottoms out.

Finance, Insurance and Real Estate, employers of nearly 70 in Sitka will be devastated. The real estate industry will become a fraction of its current size and one or more banks will likely close their branches. All banks will be holding bad consumer and business loans and take significant losses. The Alaska recession of 1986-88, though less than half as severe as the Sitka scenario with an APC closure, destabilized the entire Alaska banking system, caused closure of several banks and savings and loan institutions, and stiffened credit requirements. The insurance industry is also hit hard by recession with fire a risk among failing businesses. Insurance sales also drop significantly in recessions. Households and businesses remaining in Sitka will be saddled with virtually unattainable credit requirements even of they maintain respectable credit ratings. For financial institutions in general, loaning money in Sitka will be off limits except in the most risk free cases. Real estate financing will be impossible since the real estate market will collapse in the first several months following APC closure.

Service industries are expected to decline in relation to the loss of income in the community, a 29% loss. As in the trade sector, prices will rise for those who remain and the level and variety of services available will be reduced. In total service industries employ 621 and an estimated 178 of them will lose their jobs. Private medical services will be severely affected with some specialists no longer able to make an adequate living in Sitka. As mentioned earlier, recession conditions drastically reduces use of medical services and as a result, Sitka may lose as much as 50% of the privately provided medical services. Social services including nonprofits such as the drug and alcohol abuse programs will be reduced if not eliminated due to loss of local contributions. Membership organizations, which employ a significant number of service workers will layoff workers because local support for them will decline.

Federal government support employment will also experience layoffs because such employers as the Postal Service will have reduced workloads. State employment will be relatively unaffected except in the critical social service area where less population means less support from state programs.

**Impacts on Other Basic Industries**

One might not think the seafood industry would be affected by an APC closure but industry experts identify a number of negative impacts. Since seafood processors are heavy users of electricity and water and have millions invested in real property, any increase in electrical and water rates and property taxes will hurt economically. But increase of the 46% to 94% magnitude in these costs could cause some shut downs in Sitka's largest employer, seafood. A processor closure would in turn trigger losses in the resident harvesting fleet. Fishermen base in Sitka for a number of reasons but a critical one is the presence to of the most aggressive and responsive large processors plus a number of other processors and buyers. Were the processing sector reduced, the resident fleet would shrink to some degree.

The leading processor estimates their costs will rise by $100,000 to $200,000 per year to cover increase utility rates. Further, the City and Borough of Sitka becomes less capable of providing the necessary expansion and maintenance of port and harbor facilities critical to the fishing fleet. It also will have reduced ability to develop city waterfront property to aid development of seafood industry infrastructure. Since both forest products and seafood are users of industrial support services (vessel repair, mechanics, machinists, industrial parts and supplies, expediting and shipping, etc.), the loss of forest products business will significantly reduce the industrial support services now available to the fishing fleet and processors. This in turn makes Sitka a less desirable port and could cost the local economy money in two ways. One is the business which must go outside the community to other locations and the other is the possible loss of some vessels which currently home port in Sitka. Also, much employment in the seafood industry is seasonal and/or part time. These jobs are often filled by the dependents of people with more stable year-around jobs, particularly those in the APC mill which are the community's highest paying. When the mill closes and those families leave, the available labor force for the processors and harvesters will shrink.

The tourism industry in Sitka has lots to offer visitors because many businesses and facilities exist to serve other markets. One mainstay of the hotel business is the business travel attracted by the forest products industry. many shops exist to service local demand and also serve visitors in the summer. Transportation schedules and prices are set primarily for the local market and visitors also benefit from the service. Were APC to shut down, it is unlikely that as many shops, overnight facilities and transportation schedules would exist. This makes the community less attractive and certainly more expensive for visitors since businesses will have to raise prices to compensate for APC and related losses. For example, with less air and ferry frequency, Sitka becomes less accessible and more expensive for visitors.

## Summary

In summary, while other communities have had devastating economic recessions during the 1986-88 period, there is nothing of the scale of an APC closure on Sitka's economy to compare to. Sitka's projected 24% to 29% loss would be two to three times that of any community in the state since statehood.

For households in other areas of the state, even modest recessions proved devastating financially and emotionally. An economic dislocation of the scale of Sitka's projected loss would cost every home-owning family and average of $50,000 in the value of their house with no market to sell to. Job losses, drained savings, ruined credit ratings, personal trauma and increased social problems are just part of the package each household might be granted with an APC closure. Leaps of 50% or more in utility rates and property taxes plus cutbacks in municipal services ranging from police to health care and education are certain to occur if local government attempts to remain solvent as it loses millions in revenue from local and state sources. Households would pay higher prices for virtually every good and service and have less selection than before. Lower income families will be the soonest and hardest hit because their reserves and alternatives are so much less than average. They have less ability to survive even a short period of unemployment or to move to another location for employment with their usually limited skills.

The business community would be financially devastated and perhaps a third or more of all businesses would close, accompanied by personal and business bankruptcies, defaulted loans, loss of hundreds of jobs in the private support industries and a collapse of both the commercial and residential real estate market. The remaining businesses would operate with reduced profit margins, offer less variety and charge higher prices in a significantly reduced market. More local money will flow outside because less selection will be available locally. The banking community would likely respond by closing some branches, taking significant losses on bad business and consumer loans and making credit in Sitka virtually impossible to obtain for those affected by the loss of APC. No responsible banker would loan on anything affected by the Sitka economy.

Finally, other basic industries, particularly seafood and tourism, would be affected in the form of higher costs, less selection, the loss of industrial support goods and services, decreased ability of local government to provide services and facilities and outmigration of seasonal and part-time labor force critical to both industries. Nonresident hires would increase.

Now that Alaska has had some experience in the effects of recessions it is possible to quantify and qualify the impacts of economic decline. Therefore, the data developed in the Sitka case is simply the application of known effects of economic decline in Alaska applied to the possible Sitka case. But the difference between the Alaska recession of 1986-88 and the Sitka case is one of scale. The decline certain to be caused in Sitka by an APC closure would have twice to three times the proportional impact which the Alaska recession had on Anchorage. Declines of the potential Sitka magnitude may have unknown impacts in addition to those quantified and qualified in this report, since no Alaska community has experienced so severe an economic contraction in recent times.

Senator WIRTH. Thank you very much, Mr. Mayor.

## STATEMENT OF LYDIA GEORGE, CITY COUNCIL OF ANGOON, AK

Ms. GEORGE. My name is Lydia George.

The City of Angoon is right on the Tongass National Forest, Admiralty Island, and the City Council of Angoon would like to express their appreciation for the opportunity to express our position on the 705 (a) provisions of ANILCA, which establishes a 4.5 billion board feet per decade timber supply and an off budget, unappropriated $40 million per year to access marginal timber and for other purposes, which directly benefit the long-term contracts of Alaska Pulp Company and Ketchikan Pulp Company.

The City of Angoon welcomes the U.S. Senate Subcommittee on Public Lands National Parks and Forest to the State of Alaska and would like the committee to focus its attention to the concerns of our community and the lands surrounding the municipality as it exists and will exist for generations to come.

Over the past decade, the Federal Government has extinguished a program that the U.S. citizens of this Nation, living within the boundaries of a municipality, have directly benefitted from, the Federal Revenue Sharing Program. The timber industry continues to receive a subsidy from the Federal Government.

There are three struggling industries within our state. The commercial fisheries, which is the oldest industry within our state, has been a hard-hit industry over the past three decades and continues to decline. The Commercial Fishing Industry receives no Federal subsidy for recovery. This industry now faces the possibility of extinction due to the oil spill in Valdez.

The tourism industry is a new industry that is being developed in the State of Alaska and the benefits of this industry are derived by the State of Alaska and the urban communities. This industry is not federally subsidized.

The native corporations in Southeast Alaska are involved in the Timber Market within the State of Alaska and receive no Federal subsidy to continue their participation in the timber industry.

There is one reality that has developed here in the community of Sitka during the implementation of the 705(a) provision of ANILCA. The timber industry was in a depressed state, and ALP had an agreement with their employees to take a reduction in benefits and wages so that the industry could survive the depressed period of the timber market. When the market recovered, the employees requested that the wages and benefits also recover and went on strike.

[The prepared statement of Ms. George follows:]

CITY
OF
ANGOON

P.O. BOX 189
ANGOON
ALASKA
99820

PHONE:
(907) 788-3653

## TESTIMONY OF LYDIA GEORGE FOR THE CITY OF ANGOON

The Council of City of Angoon would like to express their appreciation for the opportunity to express our position on the 705 (a) provisions of ANILCA which establishes a 4.5 billion board feet per decade timber supply and an off budget unappropriated $40 million per year to access marginal timber and for other purposes, which directly benefit the long-term contracts of Alaska Pulp Company and Ketchikan Pulp Company.

The City of Angoon welcomes the U.S. Senate Subcommittee on Public Lands National Parks and Forest to the State of Alaska and would like the committee to focus their attention to the concerns of our community and the lands surrounding the municipality, as it exists and will exist for generations to come.

Over the past decade the Federal Government has extinguished a program that the U.S. Citizens of this nation, living within the boundaries of a municipality, has directly benefitted from. The Federal Revenue Sharing Program. The timber industry continues to receive a subsidy from the Federal Government.

There are three struggling industries within our state. The Commercial fisheries, which is the oldest industry within our state, has been a hard hit industry over the past three decades and continues to decline. The Commercial Fishing Industry receives no Federal Subsidy for recovery. This industry now faces the possibility of extinction due to the oil spill in Valdez.

The tourism industry is a new industry that is being developed in the State of Alaska and the benefits of this industry are derived by the State of Alaska and the urban communities. This industry is not federally subsidized.

The native corporations in Southeast Alaska are involved in the Timber Market within the State of Alaska and receive no federal subsidy to continue their participation in the timber industry.

There is one reality that has developed here in the community of Sitka during the implementation of the 705 (a) provision of ANILCA. The timber industry was in a depressed status and ALP had an agreement with their employees to take a reduction in benefits and wages so that the industry could survive the depressed period of the timber market. When the market recovered the employees requested that the wages and benefits also recover and went on strike. ALP did not concur and instead hired "scabs" whereby leaving several unemployed residents of the community of Sitka. The City of Angoon believes that ALP did not comply with the intent of ANILCA through the actions taken at the time of the incident.

The City of Angoon is located in the center of the Admiralty National Monument and is designated as a wilderness area. The residents have the right to use the traditional fish and wildlife resources of the area. The average family income of our community is approximately $5,000 per family unit. Some people may wonder how a family can survive on such a low income. The fish and wildlife resources make up the remainder of our economy. This is very important to our community. The 705 (a) provision of ANILCA has a potential of a large scale development of areas surrounding Admiralty Island. As the development occurs, it is very apparent that the only fish and wildlife resource area left will be Admiralty Island. This will have a negative impact on the economy of the community of Angoon if no amendments are made to the 705 (a) provision of ANILCA. For a community that has lost Federal Revenue Sharing and is losing State Revenue Sharing year by year, perhaps a subsidy program will be in order by the Federal Government for depressed communities in the near future.

To subsidize one particular industry within a government structure, discriminates against other residents not involved in the industry within that government, whether the government be municipal, state, or federal. Perhaps a subsidy plan for all industries equally, are in order as an amendment to the ANILCA 705 (a) provision.

Senator **Wirth**. Ms. George, your three minutes are up. Thank you very much for reading your statement. The balance of your statement will be in the record.

If I might, maybe, Mr. Perkins, you and Ms. George might move back for a second. Governor Cowper has joined us, and it might be that we could put him at your place at the table. All of you might slide over just a little bit.

Governor Cowper is here, and we certainly welcome him and as per our earlier agreement, we will put him on right away.

[Applause.]

Senator **Wirth**. It is great pleasure for me to welcome Governor Cowper. Governor, we are honored to have you come down and join us this morning. We appreciate your involvement and I want to say as one member of the United States Senate so many of us in the Senate respect and appreciate your very careful judgment and your accuracy on behalf of your constituents, which is tireless and very, very able. Thank you, sir, for coming here. I am sure all Alaskans appreciate the very hard work you do for them.

## STATEMENT OF HON. STEVE COWPER, GOVERNOR, STATE OF ALASKA

Governor **Cowper**. I have prepared testimony which I would like to submit to the committee at this time.

Senator **Wirth**. That will be included in full in the record following your oral testimony, which will be included first in today's hearing.

Governor **Cowper**. Mr. Chairman, I would like to welcome you to Alaska on behalf of Alaska and particularly the people of Southeast Alaska. We appreciate your thoughtfulness and your courtesy in extending the hearing process to Southeast Alaska, which is so vitally affected by this proposed legislation.

Mr. Chairman, the Tongass is a national asset belonging to all citizens of the United States. It is, at the same time, it is an area of vital importance to the people of Southeast Alaska whose livelihoods depend on the natural resources of the forest. To many, the Tongass is home, and to communities large and small it provides the basis for most economic activity in the region. During this hearing, you will hear from those who depend on the Tongass Forest, loggers and millworkers, commercial fishermen, tour operators, outfitters and guides, hardrock miners, and those who provide services to the primary industries, as well as people who depend on subsistence use of forest resources in pursuit of their traditional way of life. These and other people of the Tongass value this forest greatly, but they have differing priorities.

It is not surprising, therefore, that the Tongass has had a long history of conflict. Congress attempted to put that conflict to rest in 1980 when it set aside 5.5 million acres of national interest land as wilderness and simultaneously provided for job protection in the dependent timber industry.

It has become abundantly clear, however, that the divisiveness of this issue has not gone away. The 1980 compromise has not ended the calls for more wilderness, nor has it adequately provided stability for the livelihoods and life styles of those who live and work in the forest. In addition, many affected Alaskans and smaller communities in the region believe that their interests were ignored in ANILCA. Many Alaskans share the view that it is time to address these problems. Once again Congress is being asked to legislate the future of Southeast Alaska.

I have opposed legislative changes to the Tongass provisions of ANILCA in both this and the previous Congress because we need a stable legal regulatory regime. I have also been informed that 191 administrative remedies exist which could correct many of the problems. It is clear to me, however, that Congress intends to change the current law with or without a compromise involving affected Alaskans. Unfortunately, neither S. 346 nor S. 237 achieves a compromise acceptable to the majority of Southeast Alaskans. For this reason, I cannot support either bill. Until such a compromise is reached, the conflict will continue and Congress will be asked to revisit Tongass legislation again in the future. I would like to put this issue behind us for good.

During the past few months, a committee of courageous local mayors and city council members have hammered out a compromise proposal for Tongass legislation which recognizes the underlying interests of Southeast Alaska communities. While neither perfect nor unanimously supported, this unprecedented Southeast Conference compromise comes closer to satisfying the concerns of a majority of affected Alaskans than any other alternative. For this reason, I support key elements of this compromise and urge you to seriously consider their merits.

The key elements of the compromise include the following:

The Secretary of Agriculture would have the discretion to offer for sale up to 4.5 billion board feet of saw timber per decade, subject to annual appropriations, his estimate of annual market demand for wood products from the forest, sustained yield capacity of the forest and protection of other resources and uses of the forest as determined through the planning process. The forest planning process would not be constrained by any Congressionally mandated timber supply requirement.

This approach would allow the Secretary to use the planning process and the 10-year plan to determine how much timber would be made available during the course of the decade.

As those who were close to the Southeast Conference process are aware, a number of amendments were considered which would have eliminated the Secretary's discretion to set the harvest level in the 10-year plan. These amendments were not approved by the Southeast Conference. The small communities and non-timber users have made it very clear that no compromise is possible unless the Secretary of Agriculture has this discretion.

It should be noted that the proposal of the Southeast Conference does not require the Secretary of Agriculture to reduce the 10-year figure. The language merely gives him the discretion to set this figure based on his professional judgment and dictates of applicable Federal law.

Adequate funds should be appropriated each year to ensure a program of intensive forest management in addition to normal appropriations. Up to $15 million should be provided annually for this intensive management program. Up to 20 percent of this amount should be used to promote, protect and enhance commercial, subsistence and sport fisheries, the wildlife and recreation resources, in addition to other normal appropriations for these purposes. The balance of intensive management funds should be used to conduct precommercial thinning in young timber stands and, under existing Forest Service criteria, to invest in the construction of new facilities needed to access timber sale areas.

The Southeast community compromise includes the placement of 12 areas in a special Congressionally protected status that would permanently prohibit commercial timber harvesting. Less restrictive than wilderness, this status would allow other compatible multiple use activities as described in the Land Use Designation II category of the 1979 forest plan. Areas which would receive special permanent protection are Kadashan River, Chuck River, and Windham Bay, Yakutat Forelands, Lisianski and Upper Hoonah Sound, Nutwa River, Karta River, Mt. Calder and Mt. Holbrook, Young Lake, Outside Islands, Trap Bay, Goose Flats, and Berners Bay. These special areas have been identified by communities as particularly important to them for subsistence, sport, and commercial fishing, and the harvest of wildlife for subsistence and sport. These high values are confirmed by our Department of Fish and Game.

Communities understand that setting these areas aside from logging will reduce the land base currently available to supply commercial timber. It is important, therefore, that this impact be mitigated to the extent possible by the intensive forest management program. According to the data available to us, these set-asides would reduce the current 430 million board foot annual sale quantity by 28 million board feet. This is about 6 percent of the average amount to be made available annually in accordance with Section 705 (a) of ANILCA. We believe that this reduction will have little effect on existing employment levels, but it is likely to impact potential future jobs as the industry rebounds from its 1980–85 recession. Last year, 331.5 million board feet of saw timber was harvested from the Tongass Forest, or about three-quarters of the 450 million board foot annual timber supply. This 1988 harvest, according to published Forest Service estimates, directly supported 1,781 jobs in the dependent timber industry and indirectly affected another 3,385 jobs in the support services.

The Southeast compromise also recognized that the forest plan, when revised, might also limit the available timber supply in providing appropriate protection to other resource values. Community leaders and I know that there are such risks and uncertainties with the compromise proposal. We believe, however, that there is greater risk of adverse impact and the promise of renewed conflicts inherent in legislation currently before the Congress.

For many years, the primary objective of the Forest Service's timber program in Southeast Alaska has been to provide community stability and economic diversification. This has been a worthwhile objective but the focus of the program is timber. I believe that Congress should now broaden this objective.

The three major sectors of the economy in the southeast are commercial fishing, tourism and timber. Hardrock mining is regaining a major role in the region. The Southeast compromise recognizes that each part of the region's economy is important and that the Tongass Forest is central to all.

For this reason, we support the establishment of a $20 million economic diversification program of grants and loans. This program will be utilized by communities and local businesses that depend on the Tongass Forest to stimulate the creation of new jobs. "Value-added" initiatives and more efficient utilization of the Tongass Forest and its resources would be encouraged and supported, and the loss of potential future jobs in the timber industry would be mitigated.

The two long-term timber sale contracts should not be unilaterally canceled. These agreements should be reviewed by the Secretary and renegotiated as necessary to ensure employment stabilization to the maximum extent possible for those working in the forest; fair and reasonable competition within the timber industry; full and reasonable compensation to the contract holders for any taking; consideration of the respective interests of Southeast Alaska's diverse communities; definition and commitment of timber available through the remaining contract period to contract holders in the revised forest plan; and clarification of Forest Service authority to protect fish and wildlife habitat in areas under contract.

The State of Alaska encourages this committee to consider adopting the Southeast compromise proposal this year rather than enacting legislation which is unlikely to end the conflict over the Tongass National Forest. The proposal not only reflects a resolution of many issues of local concern but addresses these concerns in a manner which furthers the national interest in true multiple use management of the National Forest. I believe that this compromise is not only the best hope of settling differences that divide the people of Southeast Alaska but addresses the national interest in the Tongass as well.

We hope, Mr. Chairman, for the sake of the people of Southeast Alaska that this compromise will be adopted and that Southeast Alaska can depend on some stability in its economy in the future.

Thank you very much.

[The prepared statement of Governor Cowper follows:]

# TESTIMONY OF GOVERNOR STEVE COWPER, STATE OF ALASKA BEFORE THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES
April 25, 1989, Sitka, Alaska

Mr. Chairman, members of the subcommittee, I am Steve Cowper, Governor of Alaska. On behalf of the people of Alaska, and particularly those who live in southeast Alaska, I want to welcome you all to our state. Thank you for giving Alaskans the opportunity to express their views about management of the Tongass National Forest.

The Tongass is a national asset belonging to all citizens of the United States. It is, at the same time, an asset of vital importance to the people of southeast Alaska whose livelihoods depend on the natural resources of the forest. To many, the Tongass is home, and to communities large and small, it provides the basis for most economic activity in the region. During these hearings you will hear from those who depend on the Tongass Forest: loggers and millworkers, commercial fishermen, tour operators, outfitters and guides, hardrock miners, and those who provide services to the primary industries, and people who depend on subsistence use of forest resources in pursuit of their traditional way of life. These and other people of the Tongass value this forest greatly, but they have differing priorities.

It's not surprising, therefore, that the Tongass has had a long history of conflict. Congress attempted to put that conflict to rest in 1980 when it set aside 5½ million acres of national interest land as wilderness and simultaneously provided for job protection in the dependent timber industry.

It has become abundantly clear, however, that the divisiveness of this issue has not gone away. The 1980 compromise has not ended the calls for more wilderness nor has it adequately provided stability for the livelihoods and life styles of those who live and work in the forest. In addition, many affected Alaskans and smaller communities in the region believe that their interests were ignored in ANILCA. Many Alaskans share the view that it is time to address these problems. Once again Congress is being asked to legislate the future of southeast Alaska.

I have opposed legislative changes to the Tongass provisions of ANILCA in both this and the previous Congress because we need a stable legal and regulatory regime. I've also been informed that administrative remedies exist which could correct many of the problems. It's clear to me, however, that Congress intends to change the current law with, or without, a compromise involving affected Alaskans. Unfortunately, neither S. 346 nor S. 237 achieves a compromise acceptable to the majority of southeast Alaskans. For this reason, I cannot support either bill. Until such a compromise is reached, the conflict will continue and Congress will be asked to revisit Tongass legislation again in the future. I'd like to put this issue behind us for good.

During the past few months, a committee of courageous local mayors and city council members have hammered out a compromise proposal for Tongass legislation which recognizes the underlying interests of southeast Alaska communities. While neither perfect nor unanimously supported, this unprecedented Southeast Conference compromise comes closer to satisfying the concerns of a majority of affected Alaskans than any other alternative. For this reason, I support key elements of this compromise and urge you to seriously consider their merits.

The key elements of the compromise include the following:

The Secretary of Agriculture would have the discretion to offer for sale up to 4.5 billion board feet of sawtimber per decade, subject to annual appropriations, his estimate of annual market demand for wood products from the forest, sustained yield capacity of the forest, and protection of other resources and uses of the forest as determined through the planning process. The forest planning process would not be constrained by any Congressionally mandated timber supply requirement.

This approach would allow the Secretary to use the planning process and the ten year plan to determine how much timber would be made available during the course of the decade.

As those who were close to the Southeast Conference process are aware, a number of amendments were considered which would have eliminated the Secretary's discretion to set the harvest level in the ten year plan. These amendments were not approved by the Southeast Conference. The small communities and non-timber users have made it very clear that no compromise is possible unless the Secretary of Agriculture has this discretion.

It should be noted that the proposal of the Southeast Conference does not require the Secretary of Agriculture to reduce the ten year figure. The language merely gives him the discretion to set this figure based on his professional judgement and dictates of applicable federal law.

Adequate funds should be appropriated each year to ensure a program of intensive forest management in addition to normal appropriations. Up to 15 million dollars should be provided annually for this intensive management program. Up to 20% of this amount should be used to promote, protect, and enhance commercial, subsistence, and sport fisheries, the wildlife, and recreation resources in addition to other normal appropriations for these purposes. The balance of intensive management funds should be used to conduct precommercial thinning in young timber stands and, under existing Forest Service criteria, to invest in the construction of new facilities needed to access timber sale areas.

The Southeast community compromise includes the placement of 12 areas in a special Congressionally-protected status that would permanently prohibit commercial timber harvesting. Less restrictive than wilderness, this status would allow other compatible multiple-use activities as described in the Land Use Designation II category of the 1979 forest plan. Areas which would receive special permanent protection are: Kadashan River, Chuck River and Windham Bay, Yakutat Forelands, Lisianski and Upper Hoonah Sound, Nutkwa River, Karta River, Mt. Calder and Mt. Holbrook, Young Lake, Outside Islands, Trap Bay, Goose Flats, and Berners Bay. These special areas have been identified by communities as particularly important to them for subsistence, sport, and commercial fishing, and the harvest of wildlife for subsistence and sport. These high values are confirmed by our Department of Fish and Game.

Communities understand that setting these areas aside from logging will reduce the land base currently available to supply commercial timber. It is important, therefore, that this impact be mitigated to the extent possible by the intensive forest management program. According to the data available to us, these set-asides would reduce the current 450 million board foot annual sale quantity by 28 million board feet. This is about 6% of the average amount to be made available annually in accordance with Section 705(a) of ANILCA. We believe that this reduction will have little effect on existing employment levels, but it is likely to impact potential future jobs as the industry rebounds from its 1980-85 recession. Last year, 331.5 million board feet of sawtimber were harvested from the Tongass Forest, or about three-quarters of the 450 million board foot annual timber supply. This 1988 harvest, according to published Forest Service estimates, directly supported 1781 jobs in the dependent timber industry, and indirectly affected another 3385 jobs in the support services.

The Southeast compromise also recognized that the forest plan, when revised, might also limit the available timber supply in providing appropriate protection to other resource values. Community leaders and I know that there are such risks and uncertainties with the compromise proposal. We believe, however, that there is greater risk of adverse impact and the promise of renewed conflicts inherent in legislation currently before the Congress.

For many years, the primary objective of the Forest Service's timber program in southeast Alaska has been to provide community stability and economic diversification. This has been a worthwhile objective, but the focus of the program is timber. I believe that Congress should now broaden this objective. The three major sectors of the economy in southeast are commercial fishing, tourism, and timber. Hardrock mining is regaining a major role in the region. The Southeast compromise recognizes that each part of the region's economy is important, and that the

Tongass Forest is central to all. For this reason, we support the establishment of a 20 million dollar economic diversification program of grants and loans. This program would be utilized by communities and local businesses that depend on the Tongass Forest to stimulate the creation of new jobs. "Value added" initiatives and more efficient utilization of the Tongass Forest and its resources would be encouraged and supported, and the loss of potential future jobs in the timber industry would be mitigated.

The two long-term timber sale contracts should not be unilaterally cancelled. These agreements should be reviewed by the Secretary and renegotiated as necessary to ensure employment stabilization to the maximum extent possible for those working in the forest; fair and reasonable competition within the timber industry; full consistency with the Tongass Forest Plan as periodically revised; fair and reasonable compensation to the contract holders for any taking; consideration of the respective interests of southeast Alaska's diverse communities; definition and commitment of timber available through the remaining contract period to contract holders in the revised forest plan; and clarification of Forest Service authority to protect fish and wildlife habitat in areas under contract.

The State of Alaska encourages this committee to consider adopting the southeast compromise proposal this year rather than enacting legislation which is unlikely to end the conflict over the Tongass National Forest. The proposal not only reflects a resolution of many issues of local concern, but addresses these concerns in a manner which furthers the national interest in true multiple use management of the National Forest. I believe that this compromise is not only the best hope of settling differences that divide the people of southeast Alaska, but addresses the national interest in the Tongass as well.

Senator WIRTH. Thank you very much, Governor Cowper.

[Applause.]

Senator WIRTH. Please let me just, as a point to be made by the Chair to those who are with us today as guests of the Committee, remind you that you are guests of the United States Senate. As much as there is a temptation in an event like this to express one's appreciation, and I share your enthusiasm for the careful analysis done by Governor Cowper, much as you wish to express that enthusiasm, we would appreciate it if you would not do so. It is contrary to the rules of the United States Senate, and I would ask you not to respond one way or another to any of the witnesses.

I would, if I might, Governor Cowper, like to state right now for the record that it is a very good table that the Southeast Conference presented, which was a comparison of your approach, ANILCA, the legislation that I introduced, and the legislation introduced by Congressman Mrazek, H.R. 987, which I think is a very helpful resource and a good framework for us all to look at. It also includes the outline of the areas that you are proposing, the 12 areas of the Southeast Conference.

I think it is appropriate, if we might take a few minutes, that we might exchange some thoughts about that. Do you have a little bit of time?

Governor Cowper. Certainly.

Senator WIRTH. One of the issues that we face, Governor Cowper, one of the broad philosophical questions that came up yesterday, and I wanted to give you an opportunity to address it, is a question of why the Tongass should be treated in any way different from other national forests in the United States. No other national forest in the United States has a congressionally mandated or a congressionally suggested ceiling or target for timbering. Earlier someone said that we should not micro manage, and I would agree with that.

Why should the Congress be telling a forest how much should be timbered or might be timbered? Why should there be within the appropriation a fund automatically set aside for the Tongass? No such fund exists for any other national forest. Why should we maintain these long-term timber contracts? Those long-term timber contracts were canceled in every other national forest during the 1950s and 1960s.

In other words, from the perspective of many people the Tongass stands out. Granted, is the largest national forest but the question that we have to answer is why should the Tongass be treated differently. I would like to ask you how you would respond to that question.

Governor COWPER. Mr. Chairman, there is in the law a doctrine known as estoppel, which is legal and not all people understand what it means.

Senator WIRTH. I am a non-lawyer. Give me a shot.

Governor COWPER. Basically what it says is that if people have been induced to rely on a certain policy and if the policy was changed and it would act to their detriment, then you cannot change the policy. So, that is legal talk, and it is not directly applicable to this situation. But the fact is that the Congress in years past did, in fact, set up a special legislation that directly affected the Tongass National Forest for the specific purpose of allowing the people in Southeast Alaska to create a timber industry in order to assist their economy. It is in fact a subsidized industry in direct and indirect ways. I do not think there is any reason to pretend that it is not, that many, many people in Southeast Alaska over the years have come to rely on the fact that the Federal Government did put into effect a policy, actions were taken, plants were built, jobs were created in reliance on that Federal policy which, by the way, is not unprecedented. The Federal Government has in many other contexts created situations which amounted to subsidies for jobs in one area or another.

We believed in 1980 and we continue to believe today that it would be unfair to suddenly change the rules of the game in a way that would substantially impact the citizens of this area who had come to rely on that policy over time. We believe that it would be more fair to make the types of compromises in this legislation that are reflected by the Southeast Conference proposal. We recognize that the Tongass is, in fact, treated differently than other forests, but there is an historic context for that treatment. And we think that if changes are going to be made, they should be made with a sense of understanding that there are real people here that are going to be directly affected if there is a radical, sudden change in that policy.

Senator **Wirth**. Let me, if I might, Governor, pursue that just a little bit. I appreciate the history and I understand that. I mean, we have had many subsidized industries over the years, subsidized by the Federal Government. The Federal Government, however, from time to time decides that it has learned from its mistakes and makes a change if the evidence suggests that changes ought to be made. So, the question that we then have is has the subsidy program worked, has it in fact saved jobs since ANILCA passed? For example, has the number of jobs decreased, stabilized, or increased? Has ANILCA, passed in 1980, encouraged competition or has the market become less competitive? It has in the timber industry. And has ANILCA been productive in terms of encouraging other economic programs or, as some suggested yesterday, has the excessive emphasis on timber discouraged other industry, such as the fishing industry?

Those are the kinds of balances and trade-off questions that we are going to have to ask and will be asked between now and the time that we get to the floor. Some of my colleagues are going to have questions as well, but that is my point of comment. I realize the subsidy program was set up. Has it worked?

Governor **Cowper**. Well, in the first place, we believe that the questions that you mentioned are legitimate, and we believe many of them have been addressed in the context of this compromise suggestion. I suppose it would be difficult to say with any confidence whether the 1980 legislation has worked or to what extent it has worked, being that the current conditions of the timber markets in Alaska are a lot better than they were in those days. Much of it depends on has there been an increased demand in Asia for timber and timber products. Certainly it has depended on the relatively weak dollar in Asia, which means that our products can be put on the market for much less than was the case previously. It means that we are much more competitive than we were back in 1980. So, the timber industry in the Southeast has improved a great deal in recent years. We claim that probably the causes are many, but the ANILCA provisions of 1980 did create what was an accessible stability in terms of policy so that people could make investments in confidence that things would not change the following year. I think it would be very difficult to say to what extent ANILCA caused this change in the timber market for the better and which part of it was caused by other factors completely different from ANILCA.

Senator **Wirth**. Thank you, Governor Cowper.

Senator **Murkowski**. Thank you.

Governor, I was particularly impressed with your presentation representing the state and the Southeast Conference, which Mr. Privett reviewed for us. As one who was very involved in the drafting of the legislation which is before you, S. 237, I think it is worthy to reflect that you know well the spirit of compromise in which legislation is drafted.

As I said in Ketchikan, the development of legislation is something like making sausage, not too pleasant to observe but nevertheless a necessity and a reality. I think the recommendations expressed by you of the Southeast Conference for the most part represents just that kind of input relative to the divergency that we have between Senator Wirth's legislation and that of my own, and I feel quite confident that we pursue this process of making sausage, so to speak, that many of those recommendations can be addressed.

One of the difficulties that we are going to have, however, in the Southeast Conference recommendations is the suggestion of establishing an economic diversification fund for grants and loans. As we well know in this climate it is pretty difficult to depend on Washington for Federal assistance. And, in both Senator Wirth's bill and my bill, we have done away with Federal assistance of $40 million. To combat—and I am not saying this is possible—but it does create some problems. I think in the Southeast Conference the request is about $15 million. I just wanted to share that reality with you.

We have had a great deal of discussion on the merits of why the Tongass is different. As you indicated, you were back in Washington during the ANILCA drafting and I think we have to look at the issue both ways. As you recall, Governor, we have done a fair job in relationship to the job issue, inasmuch as there are two pulp mills in Southeast Alaska providing jobs.

What I do not think we have done adequately, as reflected by my colleague from Colorado, is the other side of the issue. We had no wilderness in Southeast Alaska prior to ANILCA in 1980. That legislation set aside out of the commercial forests in Southeast Alaska, not just the area but the commercial forests, the areas that were selected for reprobation purposes by various environmental groups, 1.7 million acres were put into wilderness, and that was a very positive thing. That precise process has not been done in other forests.

The question is what price wilderness? This has been discussed at great length because you take an area out of a commercial forest and put it in wilderness and we see the redwoods and that price related in adjudication over fairness, peoples' jobs, a very, very lengthy complicated process.

Now, as we see the evolution of what is happening in the forests. We see the stumpage go from $2 to $3 per 1,000, reflected on the market currently. In Ketchikan I think it is $68. I do not know currently what it is here in Sitka, but it has gone up dramatically. So, if we take the background and history I think we have to recognize that there has been an evolution that has occurred as a consequence of changing times.

Speaking as one of the senators representing the people of Alaska, in the spirit of compromise, we look for a process recommended by you, Governor, from the Southeast Conference, as they have indicated, as to how we can better structure this to address the concerns of all without really throwing out the baby with the bath water. So, I certainly welcome your recommendations and look forward to continuing to work with you, and I think good recommendations are going to come out. The Tongass Land Management Plan has been underway for some time, to reflect the spirit of Alaskans expressing themselves in open forum and recommendations and so forth which should be considered as we proceed with this legislation.

Senator **Burns**. Governor, first of all, appreciation for showing up here this morning. I know the demands on your time, and I see you are very interested in this issue. I only have one question. I was interested in mining. We did not hear much about mining yesterday in Ketchikan. Could you give me—do you have any sort of—an estimate on what and how much mining could possibly occur in these areas.

Governor **Cowper**. Senator Burns, I am not aware of any specific proposal in the areas that we have designated as set aside areas, any of those areas. Now, I am willing to have anybody who knows more about it than I do correct me on that. I know people who do know more about it.

Senator **Burns**. I would not have those figures on my fingertips for the State of Montana either, but I just wondered if you had an idea. You did mention that and that is sort of interesting.

There are 5.4 million acres that are set aside in the Tongass. In your recommended areas for special management, how many acres of harvestable timber will be taken out of the Tongass timber base? Do you have an estimate at all on that?

Governor **Cowper**. We have the board feet, but we are looking for acres.

[Consults with aide.]

Senator **Burns**. How many acres?

Governor **Cowper**. 646,000 acres.

Senator **Burns**. Thanks again. Thank you for your hospitality up here and the pressures on your time. Thank you very much, I appreciate your coming.

Senator **Wirth**. Now, we have a few more minutes. May I run through a few more elements to make sure that we get these on the record?

In your comments about the changing nature of the timber industry, you talked about the increased demand for timber products in Asia. One of the elements that is involved in the discussion of the Tongass is exactly that issue, and it is my understanding that one of the two mills that we are talking about is owned by the Japanese and all of that product goes to Japan and of the second mill, which is owned by Louisiana Pacific, I understand, about 70 percent of the product from that mill goes to the Pacific and a great percentage of that goes to Japan. So, we have coming cut of the Tongass program, a lot of the timber is going directly to the Japanese. Is that your understanding as well?

Governor COWPER. Yes, that is correct.

Senator WIRTH. Now, it is very difficult, I think, for the American public to understand why the American public, the American taxpayer, is subsidizing a program for the Japanese at a time in which the United States has an enormous trade deficit. At a time at which the Japanese are doing phenomenally well financially, why is it that the American public is subsidizing a program for the Japanese consumer?

I am sure that there is someplace a very good answer to this or maybe these are just the tides of history that have moved by us. I was wondering if you all looked at that in the Southeast Conference and discussed that issue—there is no reason that you would—or maybe this is an issue we deal with on the whole context of our trade relationships with the Japanese.

Governor COWPER. Well, Senator Wirth, I think that most people at least in Alaska view that subsidy, to the extent that we admit it, as a subsidy to the industry in Southeast Alaska and not to the Japanese consumer. They are the buyers of timber; they are indeed the buyers of most of our commercial fish harvest here in Alaska as well.

We think if the price of the timber were raised, they would look elsewhere. They are looking for a market priceSthat is acceptable to them, as they would for any type of product. I do not see that as a direct subsidy to them, although I certainly understand how you make that connection. There is no question about the fact that they are subsidiaries in mills, and the business interests that they own in connection with the timber industry in Southeast Alaska benefit from the current situation. We think, however, in the balance that it is more important to maintain jobs for Southeast Alaska residents than to worry about whether there is an effective subsidy to the Japanese consumer.

Senator WIRTH. So, technically what that says is that the economics of these two mills do not work by themselves, that the marketplace that we hear so much about does not allow Alaskan timber to compete, without the subsidy; if the Japanese were paying market prices, they would go elsewhere. Is that correct?

Governor COWPER. Well, Senator, I would not know, I am not going to stake my mind and reputation on that statement. We know what we hear. We know what we are told by the industry and by others. I think that the result of conversations that we have had, not only from the industry here in Southeast Alaska and from the Japanese, but from other citizens of the state, leads us to make this proposal for a compromise.

Senator WIRTH. I appreciate that, and the reason I raised this issue was not to wave the Texas flag but just to say it is within the context of a deep concern of the American public about our economic relationship with Japan, the perception of many that, for example, the Japanese are not paying their fair share of the defense burden. The American public is paying 6 percent of our gross national product, and the Japanese are paying 1 percent. You have heard all of these arguments; but certainly, as we get to the floor of the United States Senate discussing this legislation, the issue of our relationship with Japan, our economic relationship, comes into this.

Governor COWPER. I would suppose, Senator Wirth, that any time you have a harvest of natural resources that are ultimately sold to the Japanese where you manage those resources for the use of public funds that you could say, in effect, that that was a subsidy to the Japanese.

This is a little different situation. It is a grade higher than that, and I recognize that. But, as I say, in the end, as we balance the equities here we think that exist in the industry, it needs to have some floor here. We find in Alaska that often we are controlled forces that do not bother to ask us what we think, and we appreciate you not being in that category. We do not want the rug pulled out from under the industry, I guess is what I am trying to say.

Senator WIRTH. I am not taking issue with the argument. I am saying that there is an old saying, "What you see depends on where you sit," and there are many would do not sit where you do and do not understand Southeast Alaska, you having been here, from someone who is viewing it from quite a different perspective. I did not raise this issue for the purpose of being contentious or arguing about your position. It was just to point out that there is a difference in flow here.

That leads me to a second issue that relates very much to this. There is in the proposal that you and the coalition put together, I think, a very interesting idea and that is for kind of a value-added approach.

I come from an area of the country, and Senator Burns comes from an area of the country, where people often view themselves as Colonials. You know, the colonists are out there extracting our resources and we have had that happen to us in mining and timbering and water resources, so that for a long period of time we got the lowest possible value for the resources coming out of our state that go someplace else where value is added, and that is where the real money is made.

One of the arguments that I have been making, over and over and over again to the Forest Service in Colorado is what we ought to be doing is looking at the economics of this situation and try to figure out how we add greater value to the investment that is made there or to the resources that are taken out. And, therefore, that value-added notion I think is a very creative one, and it may give us an opportunity to work out some very interesting and perhaps kind of model language.

I find that very appealing, and I know that others coming from states like mine, like yours, like Senator Burns' all live within this sort of mentality, that somehow here we are, whether it is a big bank or someplace else, with all the big money someplace else. The loans get made to us. We are a capital poor area. The resources get taken away. The value is added someplace else. Somebody else is making all of the dough and we are left with depleted resources.

So, I think that the idea that you put in here is certainly worth our very careful consideration. If you have any further comment you might want to add to that, I just thought it was very intriguing.

Can I jump for a minute to the contract issue as well? Were we to cancel the contracts, which as I have pointed out has been discussed, and in other national forests that was done in the 1950s and 1960s, and maybe there were a couple held over that were done in the early 1970s. If those contracts to be canceled, the question is what kind of a transition period might get built in? Clearly, we do not want to have both contracts stop here and then have a period of time where there are no contracts between the Forest Service and the timber industry. It is not anybody's intent at all to have the whole timber industry stop dead. Therefore, we ought to be looking at some kind of transitional language. I was wondering if you know or any others, Mr. Privett, or others representing the conference might have looked at that issue? Do you know of anybody who thought about it or looked at that issue of the transition period?

Governor Cowper. I would defer to the Conference on that issue, Senator. We have not directly considered that but maybe the Conference has.

Mr. Privett. No, we have not, Mr. Chairman. That is probably one of the most terrifying things we could be thinking about at this point. We tried to put it together in a document to continue to salvage the contracts in some form. Most of those contracts run for 15 years, and one will be up in 20 years and the other one is up—really, it is not a long period of time.

Senator Wirth. I understand that. Unfortunately, it appears from all of the documentation we have from the Forest Service that those contracts and their long-term nature drives all of the other decisions. Most of the decisions made by the Forest Service have artificial variables that drive the way in which they manage the forest, and that is why the whole point of the 4.5 billion target and the contracts are of such concern, because they do tend to skew all of the decision making.

Just like, Governor Cowper, if we said, "Well, we are going to make you governor, but 90 percent of your time has to be spent by law in one area of the state." If the Constitution said that, he would have to spend 90 percent of his time in one area of the state and would not be allowed to do a lot of the other things that he at his discretion would do were it not for that 90 percent requirement.

It is not a perfect analogy by any means, but I just point that out as illustrative of what the problem is by having those variables within the requirements. That changes the nature of the Forest Service and probably does not allow them to be thoroughly objective in the way in which they would view the national forest.

Senator Burns. Would the senator yield?

Senator Wirth. I would be happy to.

Senator Burns. Senator Wirth—I thank you very much Mr. Chairman, but I would ask Mr. Privett or the Governor, would you agree, regarding these long-term contracts, would you agree that here in Alaska you have fewer options to develop the local economy as long as the Federal Government is the biggest land owner?

Governor **Cowper**. I would surely agree with it.

Mr. **Privett**. No doubt in my mind, sir.

Senator **Burns**. Short question, short answer. Thank you. [Laughter.]

Senator **Wirth**. Now I know how you stand on a transition period. I do not know if you have anything else you want to add to that. I know it is difficult. If you are all looking at transitions, therefore, what you end up doing is saying maybe we are not going to have a long-term contract, and I understand your position is to maintain those long-term contracts but we would appreciate any thoughts that you might have on that transition period were the contracts to be canceled. Then what would you recommend that we do?

Governor **Cowper**. Mr. Campbell can speak to that, sir.

Mr. **Campbell**. Mr. Chairman, Senators, on the subject of canceling the contracts and on a transition period, there are a couple of very quick points. First, the long-term contracts are no longer long term; they are in the last stages of their terms.

Senator **Wirth**. Last stages, meaning what?

Mr. **Campbell**. 15 years and 20 for another one. Secondly, we certainly realize that there may need to be renegotiations of provisions within the contracts. Third, we think what has been the driving force that has affected the Forest Service's management has been the mandate to provide 4.5 billion within the framework of the contract for ANILCA. We think that mandate to provide this 4.5 has been the thing that has caused problems with the Forest Service's management. What we are advocating is, while the Forest Service has certainly been encouraged to, if they can do it reasonably, provide up to 4.5, they would more than likely be mandated to provide that timber regardless of all other values.

Senator **Wirth**. Just a second, Mr. Campbell. I would say there may be a distinction but not a difference between 4.5 and up to 4.5. You still have a legislative mandate of a target and I have never seen an executive agency, particularly one that is often as timid as the Forest Service can sometimes be, doing anything but looking at that language and saying, okay, that is the framework but that then makes it less. We would have to make less other difficult decisions. So, I follow your logic all the way. You said then you wanted to get rid of 4.5.

Mr. **Campbell**. Mr. Chairman, getting rid of the 4.5 is not necessarily an option. What we have done is now it is a mandate to provide up to 4.5 with strong direction to the Forest Service to take the other values of the forest into account in their decisions on how much timber to provide. I belieVe that is something that has been lacking up to now.

Senator **Wirth**. I understand and I appreciate that. In other words, it is left with do we or do we not include 4.5 in the legislative language? And I would think that is one of the most grievous elements, but that again, like I say, depends on where you sit. Governor?

Governor **Cowper**. I would say that I would probably look on that provision as being something of a fig leaf rather than the other way around. I looked at that and it appeared to me that the only effect of that language was to preserve historic reference point; otherwise it is effectively doing away with what was previously a floor and is now a ceiling. I think that was the purpose of the Southeast Conference addressing the issue in that way.

Senator WIRTH. Then the logical question would be why would we bother to include it at all? We do not include any of the forest plans in legislation related to national forests, and it has been interpreted by the Forest Service as one of the driving elements. You know and I know what happens with an executive agency. They look at this and they see the number and they say, "Ah-ha, if I just pick that 4.5 that allows me to avoid making a lot of other tough choices that I might otherwise have to make." Maybe I am getting a little cynical in my old age. I deal with a lot of executive agencies, but I have watched a lot of that in operation.

Governor COWPER. I would expect that the Forest Service probably would see that, probably would recognize that the legislation having been changed in this way was probably reflective of a significant shift in Congressional views towards his decision, but I would not presume to speak for the Forest Service. Sometimes I do not speak for my own agency, but if I were working for the Forest Service, I would view it as a complete change in the whole issue.

Senator WIRTH. I have one other set of questions related to boundaries. Would either of my colleagues want to pursue this?

Senator MURKOWSKI. If I can paraphrase, for my colleagues, sometimes what you see is what you want to see; and I think if we reflect on 4.5 with a great deal of concern, we should look at what we have done for the last decade, which is about or a little over 3.7. So, to my friend from Colorado, we have had the ability theoretically under the existing legislation to come up to 4.5 in the last 10 years, and we have not done it. I think it is important for my friend from Colorado to understand why we were at 3.7. The realities of the free market have simply dictated that we could not market any more timber than we marketed, and there are other considerations that go into it.

Another thing that I think we have had a difficult time communicating is the fact that this so-called Federal assistance, and I am not going to use the word "subsidy," of $40 million was not something that was just given. It was in return for the 1.7 million acres taken out of the commercial forest land of Southeast Alaska and put in wilderness.

So, one can make the case very easily, what price wilderness? We have taken away the subsidy and so it may be a conversation in this hearing, if it indeed is interpreted by some of you as subsidy. I do not think it is but nevertheless it has gone into legislation.

The ability to put up to 4.5, which is in the Southeast Conference recommendation and in our language, simply means that that is a target, subject to the ability to sustain a level of employment in Sitka and Ketchikan and other communities of Southeast Alaska to provide stability. It did not allow in excess of that. It provides for people to plan, educate their families, know that they are going to have a job.

If you want to take that away from them, why that is within the authority of the United States Government. So, we can renegotiate these contracts. But by the same token, there is 15 to 20 years left on both contracts, and we are moving into an area of legislation without the input of the plan that Congress approved, which is the TLMP of all of the input from all of the people.

I would hope my friend from Colorado recognizes the realities associated with Alaska as he visits our state because we talked about the balance of payments debt with Japan. We are a positive contributor to that. We are an answer to the problem. The $424 million of export value of our timber, about $336 million goes to Japan. That offsets our deficit balance payment.

My friend from Colorado has got to understand that the Japanese are not getting the jobs in Sitka or Ketchikan or elsewhere. It is the Alaskans that are employed in these mills. The payroll taxes are paid by our American citizens working in these mills. The Japanese are paying taxes. They own the mill here in Ketchikan.

As we look at Alaska, and Governor Cowper knows it better than anyone, and we talk about assistance to the industry. Well, apparently the government has been giving assistance to the industry in the form of $4 million. That has already been acknowledged and we are taking it away.

If we want to continue to chew on it, we can, but let us look at some of our other industries. Look at coal. We are developing a coal industry in the state. The state is assisting, and they should. We have a state-owned railroad that carries the coal. I would hope that my colleague has an opportunity to go down to Seward and view that. We have a port in Seward that was assisted by state funds so that we could bring about development of our coal industry because it would not happen unless we do.

Now, is that the kind of subsidy that we are talking about in the timber industry? No. We have had Federal assistance over an extended period of time for the 1.7 million acres in wilderness.

I would hope my colleague would have a chance to go down to the Kenal and recognize that we have been exporting natural gas since about 1967. We sent two tankers a week. Fortunately, we have never had an accident and knock on wood.

The realities are that as you look at Alaska's resources, and we are talking about gas and coal and high-rock minerals, and most of our fishing industry off shore is partially owned by foreigners—the Japanese in many cases. We have a timber industry that is owned in Sitka by Japanese, but we compete in the world marketplace. We compete with South Africa. We compete with Australia. We are either going to be competitive or we are not in the market with our resources in those areas.

The only area where we are not free under the market conditions is the export of our oil and as the Governor knows we are prohibited by Federal law, dictated by the selfish interests of special interest groups, that do not allow us to find a free market for our oil. We could save the American taxpayer money and we could save and bring into the coffers of the State of Alaska substantially more revenue if we could export our oil because the transportation costs are less than shipping it to the Gulf Coast or the lower areas but we are prohibited by U.S. Federal law that says, "No, Alaska is different."

My colleague from Colorado wants to know why Alaska is different, and we had better look in our own back yards, Senator. That is why we are different. We are treated different right down the line and I am a little sick and tired of it, but nevertheless that is the price we have to pay. We are one of the newer states. When we talked about the Western movement, that is the full history of the exploration of the Western states and it is just too bad about it, and we are going to try and change it. But I assure you it is not easy because there are other states that say, "Hey, we do not want your Western coal in the East that is free of some of the effects of air pollution. No, we do not want that coal. We want Eastern coal. 'Why? Because they do not want to face the realities associated of losing markets as we address who has got the cleanest coal.

So, as we attempt to develop diversification in the State of Alaska, people do not come to Alaska because they are in love with it from the standpoint of buying our resources. They come simply because they can make a return on their investment; we are either competitive or we are not competitive.

So, when you go to look at the timber industry, look at the fishing industry. Tremendous amounts of money are expended, as they should be, on the fishing industry because it is a renewable resources, but so is the timber industry if it is appropriately managed.

So, I have been a little provoked from time to time, Mr. Chairman, as you can tell but, nevertheless, we have a job to do here to try and work this thing out and I think the compromise is the obvious course we are going to follow and I think that the recommendation from our governor and the Southeast Conference are right on target.

Senator WIRTH. Thank you, Senator Murkowski. I notice that you were saying that you were sick and tired of Alaska being treated differently, and I understand that and one of the things we want to do, I think, is to make sure that Alaska is not treated differently.

The coal area, that is another area. It certainly would do well if you and I agreed upon that. There were real discriminatory efforts to take a shot at Alaskan oil in the last trade bill. We got together on the floor of the Senate to try and eliminate that.

I would like to ask the staff if we might also find out why only 3.7 billion board feet was in fact purchased. Was that because there was no market for the other 800 million? I do not know and I think we ought to know on that and have that recorded. In preparation of that additional 800 million board feet, how much did it cost the taxpayer to prepare for sale the timber for which there was no market? It is part of the process, Governor, of looking at the subsidies that are involved in all of this, the Federal funds in all of this.

Let me also, if I might, before we get into the rest of the day, focus a little bit on how much wilderness was created and how much timber was created in 1980. Arguments have been made on what price wilderness and I think that is a good question. I think we ought to look at that.

First of all, I should point out for the record that this has no parallel at all with Federal action on the redwoods. In the redwood area, the Federal Government created a Redwood National Park and that had been private property before the Federal Government moved in and purchased that private property, purchased the land holdings there. That is very different from anything we are engaged in here.

Secondly, Mr. Mayor, I appreciate the parallels to my good city of Denver and Stapleton Airport, but I do not know what the parallel is there. There is no Federal land involved. It is not being done on a national forest. It is a little bit like asking somebody do you walk to school or do you carry your lunch. It is a totally separate operation.

Let me look, if I might, at the amounts of forest wilderness that were created in 1980. The argument is made that there was 1.7 million acres of timber that was put into wilderness. Let us take a look at the Department of Agriculture Status of the Tongass National Forest 1987 report. On page 22 of that report, it points out that the total amount put into wilderness was 1,478,000 acres. That was land that was so-called commercial forest land. That means land that has any timber on it, effectively at all, is capable of producing any minimum amount of timber, not necessarily harvestable or saleable. That 1.5 million acres is any land that has timber on it, not necessarily marketable. So, that is that 1.5 million acres. So, let us start by saying the total amount—this came up yesterday and I wanted to make sure that we have that and it is so-called commercial because it has timber on it, but it is not necessarily harvestable. So, then we say how much of that 1.5 million acres was harvestable? That is the next question we have to answer. Let us remember that 1.5 million acres was put into wilderness. How much of that was harvestable? The 1.5 million acres is outlined on page 22 of the Forest Service report on this whole issue. On page 23 it says of the 1.5 million acres, the amount that was harvestable was a little less than 500 acres. So, 1.5 million acres was put into wilderness and only 500 acres was harvestable.

We might say, well, what does harvestable mean? Harvestable means anything from zero to 50,000 board feet per acre, and normally that which is commercially feasible is above 30,000 board feet per acre. So, of that amount, only 80,000 acres had commercially feasible timber on it. In other words, of 1.5 million acres that was put into wilderness, by the Forest Service's own number, and this is the 1987 report, only 80,000 acres had 30,000 board feet per acre or more. From time to time there is harvesting below that 30,000 feet per acre, but that becomes, going back to the subsidy issue, very heavily subsidized timber and certainly not timber that is going to be competitive in the market we are talking about.

I just wanted for the record to point out that of the 1.5 million acres put into wilderness only 80,000 were prime commercially harvestable acres, according to the Forest Service's numbers. Those are also the areas that were the most sensitive, related to fish habitat and other values as well. The controversial timbering area is only 80,000 acres. I think that stands for itself on the record.

We are not talking about taking out of the Tongass and putting into wilderness a vast reserve of timberable area. That has not happened.

Now, if I might, Governor, I would just like to ask you for the record, and maybe the Congress might want to do this. I was intrigued at the differences in the set-aside areas. You all had proposed 12 areas to be set aside, totaling 646,000 acres. And the legislation that I proposed has 23 areas or 1,789,000 acres. So, first of all, are those 12 areas that you are talking about set aside temporarily or are they set aside permanently?

Governor **COWPER**. They are permanently set aside.

Senator **WIRTH**. So they cannot be timbered in the future; they would not be wilderness but they cannot be timbered in the future?

Governor **COWPER**. That is correct.

Senator **WIRTH**. On that point, your legislation is stronger than mine. Mine sets it aside temporarily until the Forest Service comes back with an overall new approach for the forest. So, I just wanted the record to show that, that you are rougher on the 646,000 acres and that we are in great agreement on a number of these areas. I am sure that by putting this into the record, we will show that we are identical on Berners' Bay. We are identical on Kadashan. We are identical on Karta River, and we are identical on Young Lake. We are identical on Trap Bay. Five areas that everybody agrees ought to be excluded.

We then have remaining some areas with significant difference in the acreage, and other areas that we have proposed that are not in your proposal. The question I want to ask and maybe it would be appropriate to then ask our own staff, how do we go about getting together and understanding from you and your people why you chose the areas you did and the acreages that you did, why you did not pick up some of the areas that we have and the acreages that we have? I would like to understand, if we could, where those differences are and where they came about. Maybe you have already embarked upon that but I think it would be very useful. Clearly, we are going to have legislation of some kind of set-asides like this, and I think we ought to be as careful as possible to understand your thinking on this. I know, Mr. Campbell, you have been deeply involved in this. What process should we set up? I am just kind of groping as to where we go from here on these boundary lines.

Mr. **CAMPBELL**. Mr. Chairman, we would be happy to work with you on the details of these. The reasons that we selected the 12 areas is that we did an extensive outreach to every community within Southeast Alaska throughout this process, repetitive meetings, and said, "tell us what you think," before we got to the areas that should be set aside. These were the 12 areas that came back from the communities. Some of the areas that support the timber industry very strongly say that this area is very special. The other thing that the communities felt or were very adamant on was that they did not want these areas in capital wilderness. These were areas that they use or need to use, and they did not want involved.

If I may, just very briefly, one of the things we realized is that, when we set aside these areas, we do contract some timber from the timber base. We try to look at the areas carefully to do that to the minimum extent, but to the extent that we do hurt the timber base, we also realize that we affect the jobs that are connected with that industry. We would all love to be able to simply live here and enjoy Southeast Alaska, but in order to do that, we have to have jobs; and we feel that there can be a better mix of jobs, and there has to be a better mix of jobs, but we also feel that we are going to need some Federal help for that transition.

Senator WIRTH. I understand that, Mr. Campbell, and I think it is a very creative proposal as well that you all put together. I suggest, and I do not know if this makes sense, but maybe we can, after the hearing is over, get you and maybe somebody from the fishing industry and somebody from the professional staff to sit down and look at these boundaries and see if we can identify a process. Let me ask you, if you have reactions to this, to identify and see if we can set up some kind of a process where we can maybe come to a pretty rapid resolution as to what ought to be done and what should not be done. None of us is proposing wilderness at this point, but what we would like to do is set up a process. If that makes sense, maybe we could have Mr. Campbell and staff and somebody from the fishing industry sit down afterwards and see if we can put together some kind of a step-by-step approach.

Mr. PRIVETT. We would love to be involved with that, sir.

Senator WIRTH. I have taken much of your time, Governor Cowper, and I thank you very much, but there seem to be some very important schematic areas. We have a plus here in having you here, and I thank you very much. It gives us the opportunity at the highest level to make sure that we are getting this out.

Once again, let me say how much I appreciate the time you have spent with us, the gracious welcome that was received in Alaska from you and your colleagues and also, Mr. Privett, the very good work of the Southeast Conference. I think you have some very interesting ideas that I think we have a chance to build upon together, and I do thank you very much.

Mr. PRIVETT. Thank you, sir.

Senator WIRTH. Senator Murkowski?

Senator MURKOWSKI. I think the record should reflect on the identification of the difference between your figure of 1.5 and mine of 1.7; 1.5 was put in the works in 1980, plus .2 was put in monuments and that was managed as wilderness. So, when I give you a figure of 1.7, it includes 0.2 in monuments managed as wilderness. So, I think we are basically in agreement on the figures that we are using.

I would also suggest, as we look at what constitutes prime timber, we recognize that the definition is roughly 30,000 board feet in a given area. That area of 30,000 board feet constitutes prime timber. What the marginal aspects of that are, I assume we can get from professional foresters.

For the record, I also think it is appropriate to recognize that the cost of the redwoods was initially estimated to the U.S. taxpayer as about $350 million and, so far, $1.4 billion has been expended, and this does not take into account the dollars paid in compensation for loss of jobs and the identification of the area. As indicated, the cost of closing down the redwoods has not resulted in any increase in the number of motels or any evidence of greater tourism in the area. Officially, there has been no appreciable increase.

So, I think, as we reflect on reality, our collective obligation, my friend from Colorado as well as my friend from Montana, is to recognize that there is a significant burden to the taxpayer. If we were to take out of the existing Tongass timber contracts the areas included, there would be litigation initiated by those who suffered damages, and I just offer this in the way of comparison.

I think, finally, and I do not know if the gentlemen from the Southeast Conference would agree with my generalization, but I think it is fair to conclude that one of the reasons the environmental community is so opposed to up to 4.5 of AC, that is more or less of a legislative dictate. So, if it is not spelled out, I can assure you there will be further efforts to put areas that are not now in wilderness in wilderness in the Tongass, and that is just a reality. The commitment of the extreme environmental community is to add more wilderness, and they certainly have their right.

But if you have, and I think that was the intent of the Southeast Conference, "up to," it simply means provide the stability for Southeast Alaska to at least the level we are. Again, the bottom line, in spite of our interpretation of figures, as my colleague evaluated for you, the fact remains, whatever figures you use, there are still only 1.7 million acres out of the 5.4 that are set aside for the timber industry, or a renewable 100-year harvest site. Whatever figures you use, the timber industry has only got 1.7.

Thank you, Mr. Chairman.

Senator **WIRTH**. Governor, we thank you very much, and maybe you have some closing words for the good of the order before you depart. You are probably ready to get out of here.

Governor **COWPER**. No closing words.

Senator **WIRTH**. Thank you very much, Governor. That was a very productive and helpful discussion for the committee and for the record. As usual, you have been of great assistance. We thank you very much and look forward to working with you and your colleagues on this in the near future.

Thank you, sir, for being with us.

Senator **WIRTH**. If we might refer to our panel. You have all been very patient, and we thank you very much. And I hope you found that exchange interesting, as I did, certainly.

Mr. Powell, you are next, and we look forward to hearing from you.

Back to the timer. I had to make an exception for the Governor, but I hope you understand. I felt we should give him as much time as was appropriate.

## STATEMENT OF LARRY E. POWELL, MAYOR OF YAKUTAT, AK

Mr. **POWELL**. My name is Larry Powell, Mayor of the City of Yakutat, located at the northwestern extremity of the Tongass National Forest.

I have held my present position for the past 18 years and have been intimately involved in similar past land designation processes. These include formation of the Wrangell-St. Elias National Park and Preserve, Glacier Bay National Park and Preserve, Russell Fiord Wilderness Area, Situk Wild & Scenic River Study, plus current ongoing efforts to create the Yakataga-Suckling Hills Game Refuge (Alaska State Legislative process), and the present Tongass reform efforts as it relates to the Yakutat Forelands.

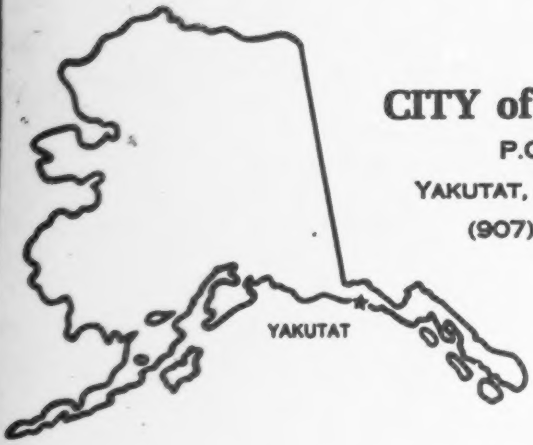
I have witnessed and attempted to modify or mitigate logging activities by both the U.S. Forest Service and the State of Alaska Division of Forestry and private lands logging by Koncor Forest products for 23 years. My tenure has allowed me to evaluate firsthand the effects of high-liner logging operations, and it is positive short-term economic advantages versus the long-term negative aspects which will be with us for decades. I have seen most all of the accidents possible in that business, which surely compromise the viability of the long-standing, long-term commercial fishing industry—commercial fishing is the number one industry in Yakutat—and the prospect of a future visitor industry downgraded by massive 1,000 acre plus clearcuts in our area.

We believe that there are other resource values out there, and they must be prioritized before it is too late. Through much articulated public policy, the community of Yakutat is opposed to Senator Murkowski's proposed bill S. 237. It simply does not address our concerns for the Yakutat Foreland.

Senate Bill S. 346, as submitted by Senator Tim Wirth, is supportable but needs to incorporate longer-term protection for the Yakutat Forelands. I have attached copies of numerous documents, which carefully outline the City of Yakutat's and the people's positions. We do certainly appreciate your efforts and concerns by introducing your proposed legislation.

Although the community is generally opposed to designation of additional "wilderness" on the forelands, there is serious concern that the available Forest Service planning processes cannot provide the permanency that is required. We, therefore, support a special management area designation, Critical Fish and Wildlife Habitat Area, similar to that outlined in the Sealaska position on the Tongass legislative changes. This would provide long-term protection from logging and road building.

[The prepared statement of Mr. Powell follows:]



**CITY of YAKUTAT**
P.O. Box 6
YAKUTAT, ALASKA 99689
(907) 784-3323

# TONGASS FOREST REFORM ACT LEGISLATION

SENATE FIELD HEARINGS

SENATOR TIM WIRTH    SENATOR FRANK MURKOWSKI

APRIL 25, 1989

TESTIMONY
BY

LARRY E. POWELL

MAYOR

FOR THE

CITY OF YAKUTAT

YAKUTAT, ALASKA

# COMMENTS BY THE CITY OF YAKUTAT ON TONGASS REFORM ACT LEGISLATION BEING CONSIDERED BY THE UNITED STATES CONGRESS

APRIL 25, 1989

My name is Larry E. Powell, Mayor for the City of Yakutat, located at the northwestern extremity of the Tongass National Forest. I have held my present position for the past 18 years and have been intimately involved in similar past land designation processes. These include formation of the Wrangell-St. Elias National Park and Preserve, Glacier Bay National Park and Preserve, Russell Fiord Wilderness Area, Situk Wild & Scenic River Study plus current ongoing efforts to create the Yakataga-Suckling Hills Game Refuge (Alaska State Legislative process) and the present Tongass reform efforts, as it relates to the Yakutat Forelands. I have witnessed and attempted to modify or mitigate logging activities by both the U. S. Forest Service, State of Alaska-Division of Forestry and private lands logging by Koncor Forest Products for 23 years. My tenure has allowed me to first hand evaluate the effects of high-liner logging operations and it's positive short term economic advantages versus the long term negative aspects, which will be with us for decades.

I have seen most all of the accidents possible in that business, which surely compromise the viability of the long standing - long term commercial fishing industry (commercial fishing is the number one industry in Yakutat) and the prospect of a future visitor industry downgraded by massive 1000 acre + clear cuts.

We believe that there are other resource values out there and they must be prioritized before it is too late. Through much articulated public policy, the community of Yakutat is opposed to Senator Murkowski's proposed bill S.B. 237. It simply does not address our concerns for the Yakutat Forelands.

Senate Bill S.B. 346, as submitted by Senator Tim Wirth, is supportable, but needs to incorporate longer term protection for the Yakutat Forelands. I have attached copies of numerous documents, which carefully outline the City of Yakutat and the peoples position. We do certainly appreciate your efforts and concerns by introducing your proposed legislation.

Although the community is generally opposed to designation of additional "wilderness" on the forelands, there is serious concern that the available Forest Service planning processes cannot provide the permanency that is required. We therefore support a special management area designation

(Critical Fish and Wildlife Habitat Area) similar to that outlined in the Sealaska position on the Tongass legislative changes. This would provide long term protection from logging and road building. The Yakutat Forelands area is unique due to a significant level of motorized vehicle use (including trucks, all-terrain work vehicles, motorized skiffs, airplanes, fishing camps) that is required to support traditional commercial fishing activities along the beaches and at the mouths of major river systems. Such a designation would protect the fish and wildlife habitat of the highly productive river systems and prohibit the road from the Dangerous River to Dry Bay. It would allow greater flexibility for the management of the existing and future levels of motorized boat, vehicle and aircraft use needed to support traditional commercial fishing activities, fish camps, cabins and use of subsistence resources. The people of Yakutat depend heavily upon the fish and wildlife resources of the forelands. This designation would respond to the City of Yakutat's management concerns.

The City of Yakutat has opposed the 450 million board foot cut on the Tongass for years by resolution, as have numerous other southeast communities. That mandate, while not being consistent with Congressional intent, is not realistic or responsive to current times and needs within the region. Other industries important to the Tongass and individual communities, such as fisheries and tourism, need to be recognized for their unquestionable potential. If the $40 million [705(A)] can not be allocated based upon priorities to stimulate and strengthen the overall economic base of each area within the region, then it should be eliminated.

We agree with Sealaska's position that the present system of allocating the timber resource must be converted to a market driven approach. It will help to achieve long term economic stability, even though the short sighted voice attempts to refute that concept.

The bottom line for us is that we have supported a well balanced multiple use management approach - that so far has been an unattainable goal. The future for the Yakutat forelands holds no promise, if we continue to be careless and shortsighted - that is why your efforts are so crucial Senator Wirth.

I would like to thank you both for the opportunity to testify and remain at your disposal to answer any questions or can be helpful in resolving these perplexing problems.

Sincerely,
City of Yakutat

Larry E. Powell
Mayor

Senator WIRTH. Mr. Powell, let me briefly ask you, on the Yakutat Forelands issue, I know that in the Southeast Conference proposal they have permanent protection of 134,000 acres and that the legislation that I have offered has protection, albeit as Governor Cowper and I were discussing, for 232,000 acres of the forest. What is the position of the community? Do you want permanent protection? That is number one. Secondly, how much acreage are you talking about? The Southeast Conference had 134,000 and we had 232,000. Do you know what the differences are between the two?

Mr. POWELL. Correct on permanent protection. I am not quite sure, Senator, what the difference is.

Senator WIRTH. Well, I think it would be very important to have from Yakutat your perspective on what the protection ought to be. I guess the main difference is the 134,000 versus the 232,000. I hope you can get from the staff here and the Conference before you leave what the boundaries are and get back to us, because we are here to hear people impacted by this, and I cannot imagine anybody more impacted than you.

Mr. POWELL. Thank you. I would be very happy to.

Senator WIRTH. We are very happy to hear from you and thank you for being here.

Senator MURKOWSKI. May I just briefly ask, it is my understanding that 15,000 acres of native timberland is in the Yakutat area and that has either been logged or is scheduled for logging.

Mr. POWELL. That is correct. I am not sure of the acreage exactly.

Senator MURKOWSKI. Well, I am not sure either, but I am curious to know, you indicated 1,000 plus clearcuts. Does that include native land?

Mr. POWELL. Some of it is but not all of it.

Senator MURKOWSKI. Well, I think it is important to recognize some is native land and some is not. I would ask any of the witnesses to come up that might be qualified to address that, unless you can distinguish that for us, because I think a distinction should be made here. We are talking about Federal Forest Service land and recommendations. When you make a generality of 1,000 plus acres of clearcut, the inference is, of course, that this is Federal Forest Service lands.

Mr. POWELL. In the most recent sale of the Yakutat that was put out three or four years ago, one clearcut that was part of that sale was 500 acres, and a portion of that sale was not cut because of lack of volume. And it was subsequently turned back by the bidder, Concord Forest Products, and it is now proposed to be resold, and that is the other 500 acres. So, you are going to end up with a joint clearcut of about 1,000 acres in that one area. It will be the largest in the whole Setak Lake area, which is in that vicinity.

Also, if I might add, when the Forest Service started logging in the vicinity of Yakutat in 1965, some of the cuts that were made were in the neighborhood of 300 acres. There were alternating cuts that proceeded up the highway towards the Setak for about 10 miles. Those were cut. Now what has happened with the selection is those alternate patches are now being cut, and our regeneration cycle is something like 150 years plus in the Yakutat area. So, what happened is a range of clearcut extends from the community all the way to the Setak River, which is about 10 miles long. So, I would have to have a calculator to figure out how many acres there are in that area.

Senator WIRTH. So, what you are saying to me is that for every section that may have been set by the Forest Service, there was also a section set for native selection?

Mr. POWELL. No, this was set for selection, which is the rotation process. This area going to be cut, and this will be not cut.

Senator MURKOWSKI. What I am trying to distinguish is the question that we have two tracts of timber associated in Yakutat: Forest Service timber and native timber. You are saying that there are 1,000 plus clearcuts, and that is a large area. What I am trying to distinguish is how much are native, which are basically beyond our control because there has already been transferred entitlement, and how much is still in the Forest Service. Do you have those figures.

Mr. POWELL. Well, all the lands that are basically in the vicinity of where the native selections are right now are no longer in the U.S. Forest Service timberland area. It is all to the outside.

Senator MURKOWSKI. The timber is still being cut, the native timber?

Mr. POWELL. Yes.

Senator MURKOWSKI. It is all Forest Service?

Mr. POWELL. All of it is virtually gone. One more year.

Senator MURKOWSKI. Then the native timber will be gone. All right. Thank you.

Senator WIRTH. We thank you very much, and we will look forward to hearing from you when you are able to figure out how we get the boundaries worked out. And I expect you will be able to answer Senator Murkowski's questions as well.

Mr. POWELL. The Yakutat Forelands area is unique, due to a significant level of motorized vehicle use, including trucks, all-terrain work vehicles, motorized skiffs, airplanes, fishing camps, that is required to support traditional commercial fishing activities along the beaches and at the mouths of major river systems. Such a designation would protect the fish and wildlife habitat of the highly productive river systems and prohibit a road from the Dangerous River to Dry Bay. It would allow greater flexibility for the management of the existing and future levels of motorized boat, vehicle and aircraft use needed to support traditional commercial fishing activities, fish camps, cabins and use of subsistence resources. The people of Yakutat depend heavily upon the fish and wildlife resources of the forelands. This designation would respond to the City of Yakutat's management concerns.

The City of Yakutat has opposed the 450 million board foot cut on the Tongass for years by resolution, as have numerous other southeast communities. That mandate, while not being consistent with Congressional intent, is not realistic or responsive to current times and needs within the region. Other industries, important to the Tongass and individual communities, such as fisheries and tourism, need to be recognized for their unquestionable potential. If the $40 million, 705(a), cannot be allocated based upon priorities to stimulate and strengthen the overall economic base of each area within the region, then it should be eliminated.

We agree with Sealaska's position that the present system of allocating the timber resource must be converted to a market-driven approach. It will help to achieve long-term economic stability, even though the short-sighted voice attempts to refute that concept.

The bottom line for us is that we have supported a well-balanced, multiple-use management approach. That, so far, has been an unattainable goal. The future for the Yakutat Forelands holds no promise if we continue to be careless and short-sighted. That is why your efforts are so crucial, Senator Wirth.

I would like to thank you both for the opportunity to testify and remain at your disposal to answer any questions or can be helpful in resolving these perplexing problems.

Senator WIRTH. Mr. Kirchhoff.

## STATEMENT OF MARK J. KIRCHHOFF, CITY OF PORT ALEXANDER, AK

Mr. KIRCHHOFF. I am here today representing the City of Port Alexander, and my name is Mark Kirchhoff.

Port Alexander is a small fishing community of 128 people located on the southern end of Baranof Island. I have lived in Port Alexander since 1976, and from 1986 to 1988, I served as Port Alexander's mayor.

To understand Port Alexander, you have to understand how isolated it is, and our entire economy is based on commercial fishing and subsistence. In that regard, we are very dissatisfied over the way Tongass has been managed over the last 10 years. Every year, we see thousands and thousands and thousands of acres of productive fish and wildlife habitat turned into relatively sterile second growth. We know from the Alaska Department of Fish and Game and the Forest Service that this is going to result in the long-term reductions of fish and wildlife populations. So that is our concern.

Now, in 1984, the City Council of Port Alexander unanimously passed a resolution calling for the repeal of the "450" timber supply goal contained in the Alaska Lands Act. I agree with Mike Campbell that the 450 is what drives the Forest Service's planning process on the Tongass. With the 450 written into law, the Forest Service has very little flexibility to change or delete harvest units, stay out of important fish- and wildlife-producing drainages, or otherwise meet the desires of local communities, fishermen, sports hunters, or subsistence users of Southeast.

We recognize the importance of the timber industry to the Southeast Alaska and that it means jobs to the mill towns. There are a lot of people here today who can tell you how important the jobs are, but I think it is important to take the whole Nation's economy and look at that, too.

There are many, many people in Southeast Alaska who depend on healthy fish and wildlife populations and, because of that, there are a lot of groups in Southeast Alaska that have called for reform on the Tongass. That includes 16 Southeast Alaska communities; it includes the Sealaska Corporation, the Alaska Trollers Association, and the Alaska Territorial Sportsmen, and guides and commercial fishermen. It is not right to say that outside environmentalists are calling for reform, because there are many Southeast Alaskans who want reform.

The question we have to answer is what kind of reform do we want on the Tongass. Senator Murkowski submitted a bill and Senator Wirth has also submitted a bill. Senator Murkowski's bill does nothing to address the concerns of small communities on the Tongass because it does not address land protection.

On the other hand, Senator Wirth's bill, I believe, is a good bill for all Southeast Alaska, and I want to emphasize also all Southeast Alaskans, because it preserves some important fish and wildlife habitat for other users of the forest, commercial fishermen, for subsistence, and for the tourism industry. At the same time, it allows the Forest Service to sell up 4.5 billion board feet a year for the forest products industry, and this will keep all the current logging-related jobs, based on past cutting levels. To say that this bill is a disaster to the forest industry is just not correct.

In conclusion, the City of Port Alexander urges Congress to eliminate the 450 provision of the Alaska Lands Act. This will allow the Forest Service more flexibility in addressing the public's desires.

We acknowledge the timber industry's legitimate place in Southeast but ask that they do the same for other users of the forest. We want to make sure that the key fish and wildlife areas in the Tongass, the Kadashans, Lisianskis, Yakutat Forelands, and South Kuius, are permanently protected in some manner, so as to ensure our own economic livelihood.

[The prepared statement of Mr. Kirchhoff follows:]

*CITY OF PORT ALEXANDER*

*P.O. Box 8725 Port Alexander, AK 99836 909/568-2211*

**25 April 1989**

## STATEMENT OF MARK J. KIRCHHOFF, REPRESENTING THE CITY OF PORT ALEXANDER, ALASKA, BEFORE THE SENATE SUBCOMMITTEE ON PUBLIC LANDS AND NATIONAL PARKS AND FORESTS, PERTAINING TO TONGASS TIMBER REFORM LEGISLATION.

My Name is Mark Kirchhoff. I'm here today representing the City of Port Alexander. Port Alexander is a small fishing community of 128 people located on the southern end of Baranof Island. I've lived in Port Alexander since 1976, and from 1986 to 1988 I served as Port Alexander's mayor.

The City of Port Alexander is very dissatisfied with current management of the Tongass. As a community strongly dependent on commercial fishing and the subsistence harvest of wild fish and game, we see our lifestyle and livelihoods jeopardized by the level of clearcutting taking place across the Tongass. With every passing year, tens of thousands of acres of valuable, productive fish and wildlife habitat are replaced with relatively sterile second growth. Forest Service and Alaska Department of Fish and Game research has shown that over the long term, this pattern will result in decreased production of fish and wildlife from our forests.

Port Alexander was one of the first communities in southeast Alaska to ask for changes in how the Tongass is managed. In 1984, the city council unanimously passed a resolution calling for the repeal of the "450" timber supply goal contained in the Alaska Lands Act. With the "450" written into law, the Forest Service has little flexibility to change or delete harvest units, stay out of important fish and wildlife producing drainages, or otherwise meet the desires of local communities, fishermen, sports hunters, or subsistence users of Southeast.

Traditionally the small villages of southeast Alaska have been centered near areas of abundant fish and wildlife. Now, many of these same areas are being threatened by logging. We recognize the importance of the timber industry to the southeast Alaska economy, and that it means jobs to the mill towns. There will be many here today who will testify to that. But we also have to be concerned about the rest of the region's economy. [redacted] There are other important resources in the forest besides timber. That's why many other user groups in the Tongass, including sixteen southeast Alaska communities, the Sealaska Corporation, the Alaska Trollers Association, and the Alaska Territorial Sportsmen, have called for reform.

The question is, what kind of reform? The City of Port Alexander hasn't yet endorsed any of the measures now before Congress. It is apparent, however, that

Senator Wirth's bill comes much closer to achieving Port Alexander's goals of protecting fisheries and wildlife habitat than does Senator Murkowski's. Senator Murkowski's bill does nothing to help small communities like Port Alexander. Senator Wirth's bill, on the other hand, is a good compromise for all southeast Alaskans. Senator Wirth's bill would remove fifty million board feet a year from the Tongass timber base for the protection of other forest values such as tourism, commercial fishing, and subsistence. The bill would also leave the forest products industry with 400 million board feet a year to harvest -- enough to preserve all current logging-related jobs based on past cutting levels.

In conclusion, the City of Port Alexander urges Congress to eliminate the "450" provision of the Alaska Lands Act. This will allow the Forest Service more flexibility in addressing the public's desires. We acknowledge the timber industry's legitimate place in Southeast, but ask that they do the same for other users of the forest. We want to make sure that the key fish and wildlife areas in the Tongass - the Kadashans, Lisianskis, Yakutat Forelands, and South Kuius - are permanently protected in some manner so as to ensure our own economic livelihood.

Senator **Wirth**. Now, just a brief question, Mr. Kirchhoff. Have you told us which of those areas the legislation which I have offered and which the Southeast Conference has suggested—where you are on those boundaries? Can we make sure that we get that from you before you leave, sir?

Mr. **Kirchhoff**. Right.

Senator **Wirth**. Now, you have seen the handout here, and we appreciate again getting local input as to what kind of protections ought to be built in. It appears that we are headed in that direction in some fashion, and we would like to get your specific input on that.

We flew over Port Alexander yesterday afternoon, and it is not accessible in a lot of places.

Mr. **Kirchhoff**. That is right.

Senator **Wirth**. Ms. Ziel, Diane Ziel, City Council member of Tenakee Springs.

## STATEMENT OF DIANE M. ZIEL, MEMBER, CITY COUNCIL, TENAKEE SPRINGS, AK

Ms. **Ziel**. My name is Diane Ziel. I am a member of the City Council of Tenakee Springs. Thank you for the opportunity to testify on behalf of Tenakee Springs, a community that has been drastically affected by the present mismanagement of the Tongass. Tenakee has long supported Tongass reform, and I am here to testify in favor of Senator Wirth's bill and against Senator Murkowski's bill.

In public meetings, the Forest Service personnel have stated that they are unable to consider the needs of our community. First, because of the 50-year contracts and because of the 450 mandate, our community has had to go to Federal Court to halt illegal road builders.

Senator **Wirth**. Is that on the record anywhere, Ms. Ziel? Are they saying that or have they written that to you, do you know, when you say the Forest Service says they cannot consider the needs of the community and so on?

Ms. **Ziel**. Yes, we have tapes of meetings and minutes of meetings also.

Senator **Wirth**. Would you look through those? I would like to see that for the record.

Again, when you make statements like that, be sure we can pin them down, and I would appreciate receiving that from you. Thank you.

Ms. **Ziel**. Our community has had to go to Federal Court to halt illegal road building financed by the Tongass timber supply fund. We feel that there are key areas in the Tongass that need permanent legislative protection. Areas of particular interest to Tenakee residents are Trap Bay and Kadashan. Kadashan is one of the top salmon producers in the Southeast.

In 1985, the economic value of the pink salmon run was over $1 billion. Kadashan's renewable resource value far outweighed the dubious value of harvesting timber in this water shed. It supports commercial hunting and fishing and is fully used by both residents and visitors.

Trap Bay is important both for subsistence and recreation, and it is one of the most breath-taking, beautiful areas in the Southeast. The Forest Service plans to clearcut Trap Bay, despite the small amount of timber available, and this has left even local loggers bewildered.

Tenakee also requests an amendment to the Tongass Act. We are an isolated village, unconnected to any of the road systems. We wish to remain that way.

If the Forest Service condemns municipal property, then it insists on shoving the road connection down our throats. We request that a single line be added to the Tongass bill to prohibit the interconnection of any road or any other road that crosses the corporate boundaries of Tenakee Springs with any other road system. Having unnecessary roads forced on us, or being told by the Forest Service that our community's needs are unimportant, or that Tenakee does not know what clear- cutting is yet underscores the preference given to the timber industry. As one resident put it, "The Tongass is being managed under a policy of confrontation and revenge.

Senator Wirth, thank you for introducing your bill for reforming the Tongass. At the request of a number of my constituents, who, I remind Senator Murkowski are also his constituents, we object to the way these lists are compiled. Many small communities were excluded because the rules of the Commission were not enforced and the timber industry was permitted to buy selection. We are shocked that the Senator would be a party to such an inferior action, and it is regrettable that the subcommittee would allow such lists to be included.

[The prepared statement of Ms. Ziel follows:]

TESTIMONY OF

DIANE M. ZIEL

for the

CITY OF TENAKEE SPRINGS
before the Senate Subcommittee on

PUBLIC LANDS, NATIONAL PARKS AND FORESTS
on the

TONGASS TIMBER REFORM ACT
S.346 and S. 237

My Name is Diane Ziel. I am a member of the City Council and a former mayor of the City of Tenakee Springs.

Thank you for the opportunity to testify before this subcommittee on behalf of Tenakee Springs, a community that has been drastically affected by present mismanagement of the Tongass.

As evidenced by the resolutions and letters that are a part of my written testimony, Tenakee Springs has long supported Tongass reform. I am here to testify in favor of Senator Wirth's bill, S. 346, and against Senator Murkowski's bill, S. 237.

The City of Tenakee Springs would like to see the following changes made in Tongass Management: replacement of the 50 year contracts with short term, competitive bid contracts, and an end to the Tongass Timber Supply Fund and the mandated 4.5 billion board feet per decade Timber Supply Goal. These policies have been a particular bane to Tenakee Springs and the surrounding area and we feel very strongly that they must be changed.

In numerous public meetings in our community, Forest Service personnel have stated that they were unable to consider the needs of our community, first because of the 50 year contracts, and after ANILCA was passed because of the 450 mandate. Our community has had to go to Federal Court to halt illegal road building funded by the Tongass Timber Supply Fund.

In addition we feel that there are key areas in the Tongass that need permanent protection from clearcutting.

Three areas of particular importance to Tenakee residents are Trap Bay, Kadashan and the Goose Flats area.

Kadashan is one of the top five pink salmon and one of the top ten chum salmon producers in Southeast Alaska. In addition, it harbors a wide variety of wildlife and waterfowl. In 1985, the economic value of the Pink Salmon run alone was over one million dollars. Kadashan's continuing value for fish, wildlife and recreation far outweighs the dubious value of harvesting timber in this watershed.

Goose Flats is an extremely important area for local and visiting sport hunters, subsistence hunting and fishing and commercial crabbing.

Trap Bay is important locally for subsistence and recreation. In addition, it is one of the most breathtakingly beautiful areas in Southeast. Forest Service plans to clearcut Trap Bay, despite the small amount of timber available, have left even local loggers bewildered.

Tenakee Springs also requests the addition of an amendment to the Tongass Timber Reform Act. Tenakee is an isolated village unconnected to any other road system. We wish to remain that way. Tenakee's charm, its very identity depends upon remaining isolated. Yet, the Forest Service insists on shoving a road connection down our throats. We request that a single line be added to the Tongass Bill to "prohibit the interconnection of the Indian River Road or any other road that crosses the corporate boundaries of Tenakee Springs with any other road system".

Having unnecessary roads forced on us, being told by the Forest Service that our community's needs are unimportant or that "Tenakee doesn't know what clearcutting is... yet", underscore the preference given to the timber industry interests. As one resident put it, "The Tongass is being managed under a policy of confrontation and revenge".

Senator Wirth, thank you for introducing your bill for reform in the Tongass. It is time to bring rational management to the Tongass National Forest.

Senator **Wirth**. Thank you, Ms. Ziel. Since the issue has been made on the record let us make sure we all understand what happened.

In setting up these hearings, Senator Murkowski and I agreed that there would be lots of advocates from all sides on this, and what we would do is to set up a procedure whereby anybody who wanted to testify would let the subcommittee know by writing in or calling in to Senator Murkowski's office. After all the names were in by a certain deadline, we would then have a random drawing, on the assumption that that would be a pretty accurate reflection of the number of people who registered to come in.

We had probably six to 12 discussions of this at one point or another over the last couple of months before agreeing to this procedure. The one item which I did not anticipate and was a little surprised on was the submission of lists. That had never been any part of the discussion. We just never discussed that, and toward the end of the time period, apparently a large variety of lists were, as I understand it, sent in. And those were accepted and forwarded on to the Committee in Washington.

By the time they arrived at the committee in Washington, the deadline for submission of names had passed, thereby putting us in a very difficult position. One, there was not then time for other groups to submit lists, making it, therefore, a relatively skewed representation. Second, we could not, I did not think in good conscience, turn down those lists, as a number of people who would have thought that their names were in by having their names on the lists. If we had thrown out the lists at that point, we would have skewed the whole process again.

So, we got snookered by the lists but not at anybody's intent. There was no intent on anybody's part that this happen that way. It was just that some groups felt there was a possibility, and they took that possibility. The business of elections and how people are represented in democratic societies and ways of influencing the rules are as old as democracy. We discussed another example, and I think that Senator Murkowski would probably agree with me, were we to do this again, we would have an iron-clad whole defined definition of the list issue.

I would just add two other items. The panels were very carefully balanced to reflect a wide range of perspectives. I think, as yesterday, the panels today will do so. Second, any individuals who suggest that this is a conspiracy by any member of this committee or somebody else is absolutely wrong. We have done this as carefully as possible and just had not foreseen the list issue, and that was slipped right in unbeknown to any of us. And it happened, and that is the best I can do in describing it. If people feel that they have been treated unfairly in the process, I apologize for myself and on behalf of the committee. Those are issues that we deny and regret that they happened.

Senator Murkowski, I do not know if you want to add anything at this point for the record, as to how we arrived at where we are?

Senator **Murkowski**. As you recall, we had several discussions on the floor. We did not know whether to open it up on first-come, first-served basis, as people tried to get to the offices of Juneau or Ketchikan, or whether because some of the areas were very remote and I think, Senator, this was your suggestion, we should draw at random. All the names were submitted, including those on the lists, to our offices in Ketchikan and Juneau, prior to the deadline. The manner in which they were transmitted back to Washington I do not know, but they came in to the professional staff and they were catalogued on the computer and then drawn out in that process. I did not have anything to do with that. Our professional staff was there, and I would be happy to answer at a later time any questions you may have.

I want to just make a very short reference to the representative from Tenakee Springs. I certainly have no objection to the community expressing its wishes or feelings. I think one of the things that we have to recognize is that the Forest Service is not blameless either, just like the rest of us. They come into the small communities and they say, "Well, we have a mandate of 4.5, and that is why we have to do this or that." Well, I do not buy that; I do not support that. The fact that the Forest Service has cut 3.7 is a reality, and they should not allow you to be stampeded by that threat. I would support your position in that regard. As to my attitude toward the Mayor of Yakutat, I do not want any more Forest Service sales to occur in Yakutat. This is one area where we should make sure it does not happen. It should not be denuded, and if you have got most of your area under native soil and there would be clearcut, that is fine. You will not get any more Forest Service sales.

Thank you.

Senator WIRTH. I hope by putting it on the record and explaining to everybody what did happen, we can clear this up. I appreciate your bringing it up. And I understand the frustration of a lot of people and the feeling that something did happen—how the lists got into this.

Thank you.

Dick Eliason, State Senator from Alaska.

## STATEMENT OF RICHARD I. ELIASON, ALASKA STATE SENATOR

Senator ELIASON. Mr. Chairman, thank you.

I am Alaska State Senator Dick Eliason, and I represent Senate District B, which encompasses the majority of the Tongass National Forest. I have lived here in Sitka for 50 years, and I have been in the State Legislature for 19 years.

Mr. Chairman, I am sure that over the past couple of years you have become familiar with the Tongass issues and know that we are dealing with a very sensitive and complex issue.

As I am sure you are aware, this district, like most of the Southeast, has an economy that relies heavily on fishing, tourism, mining and timber. All four of these industries are of great importance to the well-being of the people I represent. Let me assure you that the decisions that you make relating to the Tongass National Forest will have far-reaching ramifications on our economy.

There is considerable fear that if the current proposed changes in the Alaska National Interest Lands Conservation Act, or ANILCA, were to be implemented, the Alaska Pulp Corporation would soon be forced out of business. This would, of course, profoundly affect the economy of Southeast Alaska. In a study done by the McDowell Group in 1988, it was found that the Alaska Pulp Corporation is responsible for at least one-quarter of all Sitka area employment and as of 1986 was responsible for an estimated 7 percent of all regional employment.

It must be emphasized that there are few aspects of our economy here in Southeast that would not be adversely affected should APC be forced out. Many of the businesses here in Sitka have already expressed their conviction that they would be unable to stay afloat. This community has bonded itself based upon the continued operation of the pulp mill. Should APC pull out, Sitka's businesses and households would be forced to shoulder a much greater burden.

Prince of Wales Island, which is part of my district, would be impacted virtually overnight by revisions in ANILCA. There has been dramatic growth in the timber industry over the past several years on the island, and many small logging camps have developed into permanent communities. A community, such as Thorne Bay, that relies almost totally on logging, could not survive an extreme revision in ANILCA.

Being a fisherman and a lifetime Southeast Alaska resident, I certainly recognize the necessity for certain lands within the Tongass National Forest to be designated as protected noncommercial timber areas. The areas which I am personally familiar with and feel should be protected are the Yakutat Forelands, Kadashan River Watershed, Lisianski and Upper Hoonah Sound, and Berners Bay. I sincerely believe, however, that we have enough designated wilderness areas in the Tongass.

It is crucial that the Forest Service provide proper recognition of other uses such as fisheries, wildlife habitat, tourism and subsistence. The Forest Service should most certainly continue to protect areas such as wildlife retention zones and riparian management zones along streams. In managing all of these multiple uses, the Forest Service should always keep in mind the preservation of the visual beauty of Southeast Alaska. I feel very strongly that a healthy timber industry can and must exist in harmony with the other multiple uses of Southeast Alaska.

It is vital for Congress to realize that we need to know today what is in store for us tomorrow. It is very difficult to plan for the future of our economy with this Congressional axe hanging over our heads. I must emphasize that decisions affecting the timber industry must be made with the understanding that the livelihood of Southeast Alaska hangs in the balance.

Thank you.

[The prepared statement of Senator Eliason follows:]

# TESTIMONY FOR TONGASS HEARINGS

APRIL 25, 1989

SITKA, ALASKA

SENATOR RICHARD I. ELIASON

CHAIRMAN WIRTH, SENATOR MURKOWSKI, MEMBERS OF THE COMMITTEE, GOVERNOR COWPER:

WELCOME TO SITKA:

I AM ALASKA STATE SENATOR DICK ELIASON. I REPRESENT SENATE DISTRICT B, WHICH ENCOMPASSES THE MAJORITY OF THE TONGASS NATIONAL FOREST. I HAVE LIVED HERE IN SITKA FOR 50 YEARS, AND I'VE BEEN IN THE STATE LEGISLATURE FOR 19 YEARS.

MR. CHAIRMAN, I'M SURE THAT OVER THE PAST COUPLE OF YEARS YOU HAVE BECOME FAMILIAR WITH THE TONGASS ISSUES, AND KNOW THAT WE ARE DEALING WITH A VERY SENSITIVE AND COMPLEX ISSUE.

AS I'M SURE YOU ARE AWARE, THIS DISTRICT, LIKE MOST OF SOUTHEAST, HAS AN ECONOMY THAT RELIES HEAVILY ON FISHING, TOURISM, MINING, AND TIMBER. ALL FOUR OF THESE INDUSTRIES ARE OF GREAT IMPORTANCE TO THE WELL-BEING OF THE PEOPLE I REPRESENT. LET ME ASSURE YOU THAT THE DECISIONS THAT YOU MAKE RELATING TO THE TONGASS NATIONAL FOREST WILL HAVE FAR REACHING RAMIFICATIONS ON OUR ECONOMY.

THERE IS CONSIDERABLE FEAR THAT IF THE CURRENT PROPOSED CHANGES IN THE ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT, OR ANILCA, WERE TO BE IMPLEMENTED, THE ALASKA PULP

CORPORATION WOULD SOON BE FORCED OUT OF BUSINESS. THIS WOULD, OF COURSE, PROFOUNDLY EFFECT THE ECONOMY OF SOUTHEAST ALASKA. IN A STUDY DONE BY THE MCDOWELL GROUP IN 1988, IT WAS FOUND THAT THE ALASKA PULP CORPORATION IS RESPONSIBLE FOR AT LEAST ONE-QUARTER OF ALL SITKA AREA EMPLOYMENT, AND AS OF 1986, WAS RESPONSIBLE FOR AN ESTIMATED 7 PERCENT OF ALL REGIONAL EMPLOYMENT.

IT MUST BE EMPHASIZED THAT THERE ARE FEW ASPECTS OF OUR ECONOMY HERE IN SOUTHEAST THAT WOULDN'T BE ADVERSELY AFFECTED SHOULD APC BE FORCED OUT. MANY OF THE BUSINESSES HERE IN SITKA HAVE ALREADY EXPRESSED THEIR CONVICTION THAT THEY WOULD BE UNABLE TO STAY AFLOAT.

JUST ONE IMMEDIATE EFFECT OF THE MILL CLOSURE ON SITKA RESIDENTS, WOULD BE GREATLY INCREASED UTILITY RATES. THE ALASKA PULP CORPORATION ACCOUNTS FOR APPROXIMATELY 27 PERCENT OF ALL ELECTRICAL UTILITY REVENUE TO THE CITY AND BOROUGH OF SITKA, WHICH MAKES IT POSSIBLE FOR THE CITY OF SITKA TO PROVIDE RELATIVELY INEXPENSIVE HYDROELECTRIC POWER. THIS COMMUNITY HAS BONDED ITSELF BASED UPON THE CONTINUED OPERATION OF THE PULP MILL. SHOULD APC PULL OUT, SITKA'S BUSINESSES AND HOUSEHOLDS WOULD BE FORCED TO SHOULDER A MUCH GREATER BURDEN.

PRINCE OF WALES ISLAND, WHICH IS A PART OF MY DISTRICT, WOULD BE IMPACTED VIRTUALLY OVERNIGHT BY REVISIONS IN ANILCA. THERE HAS BEEN DRAMATIC GROWTH IN THE TIMBER INDUSTRY OVER THE PAST

SEVERAL YEARS ON THE ISLAND, AND MANY SMALL LOGGING CAMPS HAVE DEVELOPED INTO PERMANENT COMMUNITIES. A COMMUNITY SUCH AS THORNE BAY, THAT RELIES ALMOST TOTALLY ON LOGGING, COULD NOT SURVIVE AN EXTREME REVISION IN ANILCA.

BEING A FISHERMAN AND A LIFETIME SOUTHEAST ALASKA RESIDENT, I CERTAINLY RECOGNIZE THE NECESSITY FOR CERTAIN LANDS WITHIN THE TONGASS NATIONAL FOREST TO BE DESIGNATED AS PROTECTED NON-COMMERCIAL TIMBER AREAS. (THE AREAS WHICH I AM PERSONALLY FAMILIAR WITH, AND FEEL SHOULD BE PROTECTED, ARE THE YAKUTAT FORELANDS, KADASHAN RIVER WATERSHED, LISIANSKI AND UPPER HOONAH SOUND, AND BERNERS BAY.) I SINCERELY BELIEVE, HOWEVER, THAT WE HAVE ENOUGH DESIGNATED WILDERNESS AREAS IN THE TONGASS.

IT IS CRUCIAL THAT THE FOREST SERVICE PROVIDE PROPER RECOGNITION OF OTHER USES SUCH AS FISHERIES, WILDLIFE HABITAT, TOURISM AND SUBSISTENCE. THE FOREST SERVICE SHOULD MOST CERTAINLY CONTINUE TO PROTECT AREAS SUCH AS WILDLIFE RETENTION ZONES AND RIPARIAN MANAGMENT ZONES ALONG STREAMS. IN MANAGING ALL OF THESE MULTIPLE USES, THE FOREST SERVICE SHOULD ALWAYS KEEP IN MIND THE PRESERVATION OF THE VISUAL BEAUTY OF SOUTHEAST ALASKA. I FEEL VERY STRONGLY THAT A HEALTHY TIMBER INDUSTRY CAN AND MUST EXIST IN HARMONY WITH THE OTHER MULTIPLE USES OF SOUTHEAST ALASKA.

IT IS VITAL FOR CONGRESS TO REALIZE THAT WE NEED TO KNOW TODAY WHAT IS IN STORE FOR US TOMMORROW. IT IS VERY DIFFICULT TO PLAN FOR THE FUTURE OF OUR ECONOMY WITH THIS CONGRESSIONAL AXE HANGING OVER OUR HEADS. I MUST EMPHASIZE THAT DECISIONS AFFECTING THE TIMBER INDUSTRY MUST BE MADE WITH THE UNDERSTANDING THAT THE LIVELIHOOD OF SOUTHEAST ALASKA HANGS IN THE BALANCE.

Senator **Wirth**. Thank you very much, Senator Eliason.

Let me set the record straight. Yesterday, we had a number of comments saying that people's livelihood was going to be destroyed, jobs were going to be taken away, the whole economic fabric of Southeast Alaska was going to fall apart. If the mills were forced to close down, all of this would turn into wilderness, and the timber industry would stop. There is no provision in the bill that we force out A, B, C. There is no provision in the bill that says we are going to shut down the timber industry. There is no provision in the bill that says we are going to turn all of this into wilderness. There is nothing in the bill that says that.

I understand that there are a lot of individuals who like to get people all riled up and excited and fearful. It reminds me a little bit of Washington lobbyists who go around creating problems and then go to their clients and say, "Hey, there is a problem out there. I will solve it for you if you pay enough money." They are paid big money, and then they go back and solve the problem. And we are back where we started, with everybody a little worse for the wear.

I think a good metaphor is the Chicken Little syndrome. If you do this, the sky is going to fall in. I do not think there are many unreasonable people who read this legislation who believe all of these drastic things are going to happen. I do not make this comment based on your testimony, Senator Eliason, it is just an observation by the Chair about this legislation. I am just preparing everybody for a lot of what we are going to hear probably later in the day.

Senator **Eliason**. May I respond to that? Well, I think that is a trend that I have seen in the past. Like I say, it is just one step, in my opinion, toward that goal, and if you step too far, you are going to do that.

Senator **Wirth**. One can believe that the trends are there and so on that are going to transpire. I heard this morning that the trends in the timber industry are just the opposite. Timber is getting stronger rather than weaker.

Now, Mayor Yost from Pelican.

## STATEMENT OF RUBIN YOST, MAYOR, PELICAN, AK

Mr. **Yost**. Mr. Chairman, and members of the Subcommittee, I am Rubin Yost. I am here today representing the City of Pelican, which is a small fishing community located 70 miles up from Sitka. I would like to thank the subcommittee for inviting me here to testify at this hearing.

The City of Pelican supports Amendment Sections 705 and 706. Pelican has a past resolution stating its opposition to 4.5 billion board feet per decade timber supply goal. We passed a resolution supporting the same amendments that are proposed in Senate 346. We also call for permanent protection of the Lisianski River area. The present council stands behind these resolutions, and I am including copies of the resolutions in my written testimony.[1]

The Lisianski River is one of the top five pink salmon producing rivers in Southeast Alaska. When you consider the importance of this area in terms of commercial fish habitat and subsistence use and tourism potential, it is incredible that we would risk jeopardizing the integrity of this area. This action would not be justifiable, and the legislation that creates such a situation should be changed. A mandated supply will render Forest Service planning meaningless. It means that other multiple use considerations will always be second to the need to supply the timber required by law. A 50-year contract with exclusive rights to a geographic area gives too much control to the timber contractor and too little consideration to the affected communities that were not in existence or were ignored when the contract was signed.

---

[1] Retained in subcommittee files.

During the last five months, I have been a member of the Southeast Conference's special targets committee, working to find the bottom line to meet the minimum needs of all Southeast communities. We worked out five key points, two of which I will elaborate on.

The first is clarifying the mission of the Forest Service to include an allowable harvest of up to 4.5 billion board feet per decade, to be adjusted at the Secretary's discretion through the Tongass Land Management process, based on market demand and multiple use considerations.

The second point is our recognition of communities' needs to have certain areas protected, and it resulted in our calling for 12 areas to be permanently set aside.

Pelican stands by its original resolutions. However, we support the Committee's recommendations as a final bottom line compromise. I hope you will consider this compromise in your deliberations. As citizens of Southeast Alaska, we are all interested in the same thing, the stands of high-volume, multiple old growth. Previous wilderness designations did not sufficiently address this issue, and a mandated supply level does not contain the planning process to resolve it. True multiple use management means no one can stop it; it is permanently guaranteed, except that of the planners, and cannot occur with a Congressionally mandated bias.

I urge you to amend it to allow the Tongass to be preserved and managed as multiple use.

I would also like to submit a petition from the Pelican Forestry Council which is interested in management of forests, signed by 50 residents, and I have also attached two letters of people who would like to testify but were not able to.

Senator WIRTH. Thank you very much, Mr. Yost, and if you leave those with us we will make sure they are included in the record.

I would like to make the same request of you that I did of Mayor Powell and others. The contents of the Governor's proposal, and I am sure you are familiar with this, have included for the Lisianski River 134,000 acres, and the legislation that I have introduced has a broader designation, the Chichagof, which includes the Lisianski, of 350,000 acres.

Mr. YOST. This includes areas that we did not identify at the Southeast Conference and also it lumps together two areas, Upper Hoonah Sound and the Lisianski area.

Senator WIRTH. Upper what?

Mr. YOST. Upper Hoonah Sound.

Senator **Wirth**. They just list the Lisianski in there. Could you check in with us, if you can, and we will look at those boundaries? Again, I want to have the most local input possible. The difference between 134 and 353, what do you all hold, what would you like to say?

Mr. **Yost**. I could do that. I could show you by VCU, which are actual boundaries.

Senator **Wirth**. We appreciate your being here.

Now, the last member of this panel is Mr. Paul Johnson, a spokesman for Elfin Cove.

## STATEMENT OF PAUL JOHNSON, ELFIN COVE, AK

Mr. **Johnson**. Thank you. I am Paul Johnson, and I was born and raised in Southeast Alaska and have lived here all of my life. I work as a registered guide, and I am here today representing Elfin Cove, a commercial fishing and tourist community. I have lived there for 17 years.

Our community has always been against the 450 since its inception. We want our local areas permanently protected and also, in addition, to be put in the island group. Our jobs and livelihoods in our area are important to us, too. We are small but talented. We do not want to change our life to take care of others. We have been there a long time.

The old growth is important to us. It means a lot. It is too bad we have to hang Alaska's laundry up for people throughout the U.S. to look at. The U.S. Government created this problem, so now it is Alaska's problem to clean it up, and we need your help.

Senator **Wirth**. Thank you very much, Mr. Johnson. Is Elfin Cove, then, in the same area as Lisianski and the Chichagof?

Mr. **Johnson**. That is correct.

Senator **Wirth**. All right. We thank you very much. Let me ask my colleagues if they have any questions for this panel.

Senator **Burns**. Thank you for the opportunity. I said in my opening statement that I came to listen. And that is the way it is working out, and I have made all these notes here.

Senator **Murkowski**. Thank you very much. I want to commend the panel, Mr. Chairman. I think what we have got here is a combination of concerns and collective effort from the Southeast Conference, enunciated by Mr. Privett. It has been very helpful to me because draft legislation is just that, it does not encompass everybody's point of view. Obviously, it cannot. That is why we have these hearings as a starting point.

We have two pieces of legislation. You can interpret them differently. I interpret my colleague's as throwing the baby out with the bath water. That may be an unfair evaluation. He suggested mine does not go far enough.

Now, your input, your reference, sir, was to Elfin Cove, and I have been there many times. I can appreciate the beauty and the splendor and know why you are there. I would like to be there today myself. We have an obligation as a Congress, as expressed by you people, to protect those interests, and it can be done and it will be done.

I think it is important, as we look at some of the things that come out of this hearing today—you know, we talked about the 4.5 and then we discovered that for the last 10 years it has been 3.7. That is fairly important to reflect on despite the things that the Forest Service occasionally tells us, 50-year contracts are realistic, but they have 15 or 20 years to run. I believe as well that the Lisianski River ought to be protected, and I will work toward that end. I plan to fly over the 12 or 13 areas later on this summer during a recess, and I know some of them, some of them I am familiar with. I have fished the Karta River. I know Berners Bay area. I have been in the Yakutat area but not for the specific purpose expressed in the concerns of those from Yakutat. I think that is the best way to reflect all the needs of these people and the expression of what should or should not be, because I think, very frankly, we will get the input from those in the environmental community, as those interests are evident, to add as much as possible to the area.

That is fine, but somebody has to make a decision. It is very difficult to make those decisions, Mr. Chairman. I have just been sitting down with a group. It is important to get the input of a group that collectively knows decisions have to be made as a consequence of compromise and, of course, that is the entire process that appears here and what is occurring in this forum today.

Finally, I do not want to extend the conversation necessarily to Ms. George from Angoon, but I think it is appropriate that the record should reflect, and I intend to bring this up in a little more detail with witnesses that are forthcoming in the panel from Shee Atika, because we all know Angoon, with the permission of the Federal Government, received a land swap with an opportunity to cut timber on Admiralty and wisely they chose a land exchange. And they took their position down on Prince of Wales Island. That is where they cut timber today and generate revenues for their very dramatic economy that they have developed, and some other jobs as well. Yet, and I worked very, very hard, to propose an exchange to get Shee Atika, which is the Sitka native corporation, Mr. Chairman, to receive by an act of Congress 22 or 23 million acres on Admiralty Island to take as their settlement. We worked very hard trying to encourage an exchange with the extreme environmental group to support and identify and exchange so that there would be no logging on Admiralty Island. Unfortunately, we could not get the support from the environmental community. I think the extreme environmental community has failed in its responsibility, because today logging occurs on Admiralty Island in Kuna Cove.

That was a tragic mistake. We had an opportunity to do a land exchange, and Ms. George knows they have been logging Admiralty Island since 1900 in small amounts, but up until then, there had not been any logging in Kuna Cove. It was an ideal opportunity to make an exchange similar to what Kootznoowoo was able to do in moving down to Prince of Wales. Unfortunately, that did not come about. All of the environmental representatives throughout the United States came up to Alaska and flew over Admiralty. That is all they did. They would not even consider the merits of that exchange.

If you have anything to say to that, Ms. George, please state it.

Ms. **George**. Thank you, Senator. It was our protection of Alaska's subsistence,life style data, Alaska Native Indians. I feel like I am protecting Admiralty Island. The good senators that came up to protect them, the national monument of Admiralty Island. We went into a lot of hardships as we exchanged land and to protect the island for its resources of wildlife and we did not want any timber cut on the island although we know it would have brought in a lot of money to the community, but we are subsistence users and have about 600 people in the village of Angoon. And we exchanged land so we could cut elsewhere to protect that national monument. Our people have always thought to protect the land that we live on because we live off the land, that is our life style.

Thank you.

Senator **Wirth**. Thank you very much. We appreciate all of you coming and being here and your great patience. I think it has taken much longer for the first panel than any of us had anticipated, but I think it has been very productive, and very helpful. We thank you very much for being with us. As I pointed out earlier, the record will be kept open for two weeks. If you feel as if there are further items that you might like to add, we would appreciate hearing from you.

Some of you are going to give us some help on the boundaries, and we would like the suggestions from you before you go. Thank you very much.

Senator **Murkowski**. I would like to add for the record that there are approximately 1 million acres of wilderness on Admiralty that will be maintained as wilderness in perpetuity.

Ms. **George**. Yes. We thank you for that particular wilderness.

Senator **Wirth**. If our next panel would come up. We will have Art Woodhouse, superintendent of the Sitka School District; Robert Hames, president of the Hames Corporation; Elaine Sunde, Sunde Alaska Traditions; Charles Horan of Horan, Corak & Company; and Thad Poulson, editor and publisher of The Sitka Sentinel.

While they are coming in, the next panel could move into the on deck circle: Mr. Bremmer, Ernestine Hanlon, Byron Mallott, James Senna, Ron Sparks, Carlton Smith, and Austin Hammond.

We are probably going to pick up in speed here very significantly through that good opening discussion and clarification of a variety of items for the record. So, Mr. Woodhouse, why do not we start with you and the timer you are looking at? And away we go. Thank you, sir.

## STATEMENT OF ART WOODHOUSE, SUPTERINTENDENT, SITKA SCHOOL DISTRICT

Mr. **Woodhouse**. Thank you for giving us this opportunity. I appreciate the assurances, Mr. Chairman, that we do not have to be concerned about the closing of the pulp mills, because there is nothing in your legislation that would necessarily cause that. However, I am sure there is nothing in the 50-year contracts that spoke to only running 30 or 35 years either. So, if I belong to the Chicken Little outfit, I hope you will excuse me.

We estimate that the Sitka School District would lose about 25 percent of our student body between the closing of the pulp mills and whatever loss there might be to the Forest Service.

This, of course, would produce a condition where we would lose at least 25 percent of our youngest teachers and the higher-salaried teachers would stay on and the lower-salaried teachers would be laid off, which would drive up the cost per student.

There is an indirect condition that would hurt our School District, not in dollars and cents but rather in quality of education. With 426 students in Sitka High School, we are presently able to offer advanced math, science, and foreign language courses that we would certainly not be able to offer if our high school enrollment fell to 320, a 25 percent reduction.

Presently, our funding amounts to 70 percent from the state and 30 percent from the community. The formula is student driven, and any reduction in students will result in the corresponding loss of revenue. Additionally, our community bonded itself for $18 million in 1986 so that we could build a new elementary school and remodel and add on to our existing middle school. Education is important in Sitka, and people are willing to put their money where their mouth is. The number of classrooms for the new elementary school did not allow for a 25 percent reduction of the students in the 1990s.

Presently, Alaska education is in a constant state of adjustment and cutbacks due primarily to the cost of oil. Some of our cities have been severely crippled by $10 a barrel oil. Of course, with the oil economy comes the potential for disaster, such as what happened in Valdez this spring. However, we are coping with these hardships.

Alaskans understand about financial cuts, disasters and hardships, but what we do not understand is Senate Bill 346, which would methodically and deliberately add more financial cuts, disasters and hardships to the people of Alaska. The timber industry is a big part of our lives. We have made long-range plans based on the long-term commitments that are in effect today.

The proposed changes in Senate Bill 346 would not create a wilderness. They would create an economic wasteland. Is that your intention?

Senator WIRTH. Thank you very much.

Mr. Hames.

## STATEMENT OF ROGER HAMES, PRESIDENT, HAMES CORP.

Mr. HAMES. My name is Roger Hames. I am president of two corporations, one located in Sitka and the other one in Ketchikan. We are primarily in the retail grocery business. With my brother and sister, we represent a transfer into a third-generation, family-owned business, extending back over 50 years in this area.

We are about to complete a major remodel at one of our stores and incur a major debt for completion. I must pause to contemplate the future and what our business will be like if the economic "rules" are changed. Will we grow, stagnate or be on the decline. I consider myself and my family to be aggressive and optimistic when it comes to living and doing business here in Southeast

Alaska. There will not be a slow-down because of our efforts. When I speak of changing the rules, I am talking about the proposed cancellation of the 50-year contracts with Alaska Pulp Corporation, APC, and Ketchikan Pulp Corporation, KPC, that were agreed to in the mid-1950s.

Let us say two teams, APC/KPC and the Feds, decide to play a game of baseball with the rules spelled out in advance. When the game is half way over, an observing fan, environmentalist, convinces the umpires, elected officials, that a 50-year contract is not fair and decide to change the rules by pitching the APC/KPC team beach balls while the opposing team continues to be pitched baseballs. Hardly fair, is it? How can we, as business people, make long-term decisions with these demands to change constantly hanging over our heads? We have been to the bargaining table several times, settling with compromises. How many times does it take? If we are going to renegotiate, let us go back and reopen all the compromises.

Let me say here and now that I will join the first group in any lawsuit filed over the cancellation of these 50-year contracts.

Our Federal Government is notorious for identifying situations that someone has identified for change, and overreacts, over-identifies, and then over-legislates to correct it in their eyes. Our recent income tax revision is a prime example of this type of reaction.

I find it very difficult to understand, as I am sure others do, that, if S.346 was such a good idea, why was it not proposed by one of Alaska's own elected officials? They have over 42 years of combined experience in serving our great state. I strongly believe that those supporting Tongass timber reform have little or nothing to lose. I believe further that the vast majority of those people do not even live in this area. Why do others outside of Alaska keep proposing what is best for us?

I encourage each and all Senators to oppose S. 346 and to support Senator Murkowski's S. 237.

Thank you.

Senator WIRTH. Thank you very much.

Elaine Sunde.

## STATEMENT OF ELAINE SUNDE, PRESIDENT, RETAIL MERCHANT'S ASSOCIATION OF SITKA

Ms. SUNDE. My name is Elaine Sunde. I am testifying as president of the Retail Merchants' Association of Sitka. I think that was identified when I submitted my name, but it got lost and I do not mind.

I have a statement here that describes our retail business community, but if you had a chance to walk around, you already know what it is like. It is very small and locally owned. Three-quarters of our businesses in our downtown area are either owned and operated by women alone or operated and owned by men and women working together.

Being particularly characteristic of our retail business community puts us in a very unusual situation, Senator Wirth. We are a part of the people that are concerned that the sky may be falling and I guess I feel some concern with that metaphor because if it is, it means very much to all of us because we are very small businesses. We have almost no flexibility to adjust to a radically changed economy. We have very few employees. We carry small inventories. There are not many places to tighten the belt if we get into trouble in the economy of this community.

Also, because we are small businesses, lending institutions require that we tie our personal assets to our business investment. So, if our businesses go down, we lose our homes; we lose everything that we have. We have very little to play with here.

My great concern is that the Tongass Land Management Plan—and I was a member of the planning team that wrote that 10 years ago—wound up with a final map which in no way resembled what the planning team presented. And, I might add, it did not look like what the environmental community wanted either. It was a map that arrived at the last minute and was imposed on a planning process that had been going on for a very long time and was enacted with almost no idea whatsoever as to what the ramifications would be. I notice that the report that you have read to us from this morning from the Forest Service was written almost seven years after the Tongass Land Management Plan and ANILCA were put into effect. We bought that plan without any idea of what the cost was going to be.

It is my concern that if you are wrong, if the economy does fail as a result of this, and we have no way of knowing because our planning process is incomplete, the very small people in this community are the ones that are going to pay the price. There will be protections for the large guys in this whole scheme, but there is not any protection for me or my family and those I represent.

Thank you.

Senator **WIRTH**. Thank you, Ms. Sunde.

[The prepared statement of Ms. Sunde follows:]

## TESTIMONY BEFORE SENATE ENERGY SUBCOMMITTEE
by
ELAINE SUNDE, PRESIDENT
SITKA RETAIL MERCHANTS' ASSOCIATION

My name is Elaine Sunde. I am testifying as president of the Retail Merchants' Association of Sitka. Additionally, I am speaking on behalf of myself and my husband, co-owners of a small retail gift store in Sitka, Alaska.

You are visiting the largest National Forest, located within the largest State in the Nation. The immensity of the Tongass and the incredible size of Alaska are paralleled only by the massive political drive which has been generated to determine our future. And yet, as you have seen, this community, which lies in the direct path of the so-called "Tongass reform movement," is very small. The anxiety and fear now being experienced by our individual residents must seem even more insignificant. In fact, we feel ourselves to be lost entirely in the immensity of generalizations which are being voiced about management of the Tongass.

I believe, however, that there is a value in our small community which merits the recognition and the protection of the United States Congress. My testimony is intended to assist you in this effort to recognize and appreciate our situation.

Let me point out a few interesting facts about the retail business community in Sitka:

1. If you walk from one end of our town's main street to the other -- and take time to look up each side-street as you walk -- every single business you pass by is owned and personally operated by a local citizen. Every single one.

2. Secondly, if you decide to stop in and say "hello" to the people in these small shops, you will discover that three-fourths are either

women-owned businesses or husband/wife partnerships. In many cases, you will find a son or a daughter also sharing in the family enterprise.

3. Thirdly, while the Small Business Administration may define "small businesses" as those with 500 to 1,500 employees, a retailer in Sitka with five full-time year-round employees is considered large.

4. Finally, because of our size, most of our small businesses -- even if incorporated -- are required by the lending institutions to assume full debt responsibility. This means that we lack the ability of big corporations to protect personal assets.

These circumstances make us extremely vulnerable to any event that would reduce Sitka's population or current economic stability. In the event of the loss of a major employer, what would be our options?

First, we are not chain-store operations. While extended chain-stores may balance losses in one location with a flourishing operation elsewhere, small businesses in Sitka have no choice but to ride the economy to the bottom.

Secondly, our small size is reflected not only in the relatively few employees but also in the level of inventory which our current population base can sustain. Many businesses in Sitka operate at or near the minimum quantity orders that wholesale suppliers will fill; this is particularly true during the period September-May when fishing and tourism are at minimal levels. What this means is that we have almost no flexibility -- either through employee or inventory reductions -- to adjust to a significant change in Sitka's population base.

And, finally, since our businesses and personal property are tied together in small business financing, we have no protection from the loss of our homes and personal assets when our businesses fail.

The Tongass has been termed the "jewel" of the National Forest system. And so it is. That is why we have built a "jewel" of a community here, in the heart of the Tongass. There is enormous community pride in Sitka -- and justifiably so. The retail businesses of Sitka play a major part in what makes this community so special. It is the business community that sustains the Sitka Summer Music Festival, the Historical Society, the Raptor Rehabilitation Center. It is the business community that buys Christmas lights in the winter and flower baskets in the summer; that makes sustaining pledges to support public radio; that contributes to support the multitude of programs for citizens with special needs -- our young, our elderly, our disabled.

Sitka is a place where the local pharmacist knows your first name and the dress shop owner knows your wife's sizes. It is a place where you can walk safely and count on your neighbor in time of need.

Legislation being considered in Congress -- those bills to terminate the timber contracts and extend wilderness still further -- come with an extraordinary price tag. I am not talking about the investments of the pulp mills or the possible costs to buy out contracts. I am talking about my home. I am talking about the small shop at the corner of Lincoln & Lake Street which represents both years of hard work and the future security of my husband, myself, and our six children. I am talking about all of the other homes and small businesses and families in Sitka, Alaska.

We need and ask for the protection of the United States Congress.

Thank you very much for your willingness to come to Sitka, to listen with open minds, and to recognize our value and importance in your decision process.

Senator WIRTH. Mr. Horan.

## STATEMENT OF CHARLES E. HORAN, REAL ESTATE APPRAISER

Mr. HORAN. Thank you for the opportunity to speak here. I have been a real estate appraiser in Southeast Alaska for 15 years. I would just like to say that I love the forest. I have hunted, fished and camped in Misty Fjords National Monument, Admiralty National Monument and in other areas of Baranof and Chichagof Islands. I enjoy the wilderness characteristics of Alaska and believe they are being adequately preserved and managed by the existing Forest Service Management Program. Professionally, I have flown over much of this wilderness and have valued remote and wilderness properties inside and outside of wilderness designated areas, national monuments and preserves.

We do not know for sure what the impact of the Wirth bill is going to be, but it seems to be most severe and wide-sweeping and would impact the timber industry the most. The Sitka economy is currently relatively stable. Alaska has had a history of boom and bust, but Sitka enjoys a pretty good balance. But there is a possibility of that being changed by your bill, Senator Wirth, and I would just like to speculate, based on our experience, and this is outlined in tables—the testimony I will provide you—on what may happen in Sitka because it has happened in other communities we documented in Southeast Alaska.

If 20 percent of the industry was knocked out or severely crippled, you would see interruptions in supplies of raw materials. Also, incomes would drop as budgets tightened; mortgage payments would be late. After savings dried up and unemployment compensation ran out, wage earners would have to relocate and many homes would go on the market. As sales increased, the prices would be driven down below the level of many of the mortgages people have. The owners in this position would be forced to sell and either would be forced to default on their payments and possibly would be sued, file personal bankruptcy or have to rent their homes and subsidize the payments if possible.

Sitka has had an active real estate market over the last eight to 10 years, and since 1981, September of that year, it has been pretty stable and we have that pretty well documented. My guess is that in the last eight to 10 years, about 40 percent of the housing industry has either been refinanced or has been financed through the original purchaser and has had a second mortgage placed on it. The most popular purchase allows only 10 percent down, and in some cases zero percent down, so many of the homes that have been purchased over this period of time have less than 20 percent equity value above their current mortgage. If 20 percent of the basic industry is knocked out and homes are forced to go on the market, likely we would see this kind of decline, we would see personal bankruptcy and devastation of the future financial planning of many of our homes and a dramatic change in our life styles.

Senator WIRTH. Thank you very much, Mr. Horan.

[The prepared statement of Mr. Horan follows:]

**HORAN, CORAK AND CO.**
REAL ESTATE APPRAISERS/ANALYSTS

Charles E. Horan, M.A.I.
James A. Corak

403 Lincoln Street
Sitka, Alaska 99835
(907) 747-6666

WRITTEN TESTIMONY
CHARLES E. HORAN, MAI, No. 2 PANEL MEMBER
TONGASS TIMBER HEARING AT SITKA, ALASKA
APRIL 25, 1989

## POSITION

Oppose Wirth Bill, Senate Bill No. 346.
Support the Alaska Delegation Bill, Senate No. 237.

## BACKGROUND

Born in Washington, D.C. in 1950.
Graduated from University of San Francisco in 1973.
Alaska resident 1973 to present, Sitka resident since 1976.
Married Alaskan wife of Tlingit decent; have 2 school age children.

## PROFESSION

Real estate appraiser - member of American Institute of Real Estate Appraisers.
Partner - Horan, Corak and Company
serving commercial and residential real estate needs in Southeast. We also do contract municipal tax roll assessments for Craig, Petersburg, Skagway and Pelican, Alaska.

Advocations include hunting, fishing, camping, chopping wood, teaching church school and playing with the kids.

## MULTI-USE MANAGEMENT OF THE FOREST AND LIFE-STYLES

I have hunted, fished and camped in Misty Fjords National Monument, Admiralty National Monument and in other areas on Baranof and Chichagof Island. I enjoy the wilderness characteristics of Alaska and believe they are being adequately preserved and managed by the existing Forest Service Management Program. Professionally, I have flown over much of this wilderness and have valued remote and wilderness properties inside and outside of wilderness designated areas, national monuments and preserves.

Although not without conflict in my opinion it appears that the forests are being adequately managed for a multitude of uses including fishery resources, timber resources, mining, recreational and wilderness preserves.

The current Senate Bill No. 346, would limit the ability of the wood processing mills within Southeast Alaska to function on a guaranteed contractual basis. If this were to happen it could cause reduction in employment resulting in reduction of population and a decreased economic base. This would also erode the population base ability to service a debt incurred for our utility and school systems. This would also limit the variety and dependability of obtaining goods and services. The closure of more forest lands and the cancellation of the timber contracts would not enhance the quality of life but could permanently alter it in a detrimental way for Southeast Alaska residents.

The Sitka economy is relatively stable. Alaska is historically known for its continual boom and bust cycles. Sitka community economics are in balance now shared with wood products, fishing, tourism, government services, this stable base would possibly be destroyed by Senate Bill No. 346.

## THE REAL ESTATE MARKET

Please be aware of the impact that the Wirth Senate Bill No. 346 may have on our local economy. I speak especially with the regard of real estate. We have seen real estate declines of the following approximate magnitude for the various communities listed below:

| Community | Impact on Real Estate | Cause |
|---|---|---|
| Skagway | 25 - 35% decline | Closure of the railroad in 1982. |
| Haines | 25% +/- decline and over 10 years of economic stagnation | Closure of 2 sawmills in the mid 1970's and termination of Alaska Pipeline construction in the late 1970's |
| Juneau | 20 - 70% decline, depending on property type. | 1985 - 1988 less than 10% cutback in employment of State Government and fear of future job losses. Market over built. |
| Ketchikan | 20 - 30% decline in property, depending on type. | 1984 to 1986 closure of Ketchikan Spruce Mill, property, depending on 6 month closure of Ketchikan Pulp Mill, loss of Coast Guard cutter home port. |

The exact effect that the closure of the mill or severed interruption of raw material to the mill would cause to the housing and general real estate market in Sitka is uncertain. Based on our observations of what happens in other communities it appears that a significant number of people would be put out of work. Household incomes would drop. As budgets tighten, mortgage payments would be made late. After savings dried up and unemployment compensation runs out, or wage earners have to relocate, many homes would go on the market.

At this point the market perception usually goes like this. Buyers are cautious, if they buy it will only be the best property at the lowest price, it will offset the market risk they perceive. Sellers in increasing numbers would put their homes on the market out of necessity or in fear of losing their job or losing equity as the market get worse.

When sales do occur, the best homes sell at the lowest prices, driving prices down. Sellers who have equity or value above their mortgage will sell at a loss if they need to leave town or get out of a high mortgage payment.

As competition to sell increases, prices will be driven down further. Eventually, prices will fall below the level of many of people's mortgage amounts. The owners who must sell in this position will have the following options:

A. Default with the possibility of being sued.
B. File personal bankruptcy.
C. Rent house and subsidize payments if possible.

Sitka has had an active real estate market over the past 8 to 10 years. I would estimate/guess that approximately 40% of our housing inventory has been purchased or refinanced over this time. The most popular loan programs allow for 5-10% down payment with some programs allowing zero down. This means that most people who have purchased, refinanced or taken a second mortgage out on their homes in the last 8 to 10 years have 0-20% equity in their homes.

It is difficult to say exactly what would happen pricewise to homes in Sitka. The current market is in balance with a slight pressure to increase rents and house prices. House prices have not significantly increased since September of 1981.

If 20% of the basic industry was knocked out I would guess for the first 6 months no price change would occur. On the other hand, the selling of homes would be virtually stopped. Buyers would wait and see.

As seller's were pressured to sell, prices could drop between 15 and 30% perhaps over a 2 year period. If jobs are created in other sectors of the economy the mid to lower range of this drop may be realized. If panic sets in and people who do not need to relocate put their homes on the market out of fear of job loss or future equity loss, the rate of depreciation could accelerate as it had in Juneau. A 20% decline in property values could wipe out many Sitkan families' financial stability.

The loss of a home or equity could be devastating to family financial plans. Bankruptcy is very difficult emotionally as well as financially. The passage of Senate Bill No. 346 may precipitate this type of catastrophic impact on Sitka and in other communities throughout Southeast Alaska.

INTEGRITY IN BUSINESS

Southeast Alaska has a unique beauty where mountains meet the sea in endless shorelines. The heart of the people is typical of many areas of rural America. Most of the population are settled in small insular communities with no direct load linkage to other towns. Isolated in a way, the region is very coherent in its hospitality and the way it conducts business. Our business is not unusual when we will commit the resources of our firm for amounts in excess of $10,000 based on a personal agreement over the phone. Generally, the people in the region are honest, hard working people who consider a deal is a deal.

Due to our remote location, the hardship of our weather, the lack of adequate transportation linkage, we rely heavily on government services and help. However, we work hard and endure the hardships of our environment at times because of this chosen life-style. By living in a frontier land of wilderness and opportunity, we have grown to honor this age old custom of trust in conducting our affairs with each other and with the government. It is apparent to many of us that the government is looking to pull out on a deal that had been made in the past relative to the timber sales contracts with the pulp mills and relative to the amount of land designated for wilderness areas. We feel the deals have been made, the process is in place which allows us to enjoy the life-style which we are used to. We therefore ask out of a sense of fairness that the status quo be continued.

We are also concerned about the fiscal responsibility of government in meeting its needs and managing its resources properly. For these reasons we endorse Senate Bill No. 237 proposed by the Alaska delegation as being a prudent way to approach management of the Tongass Forest. For reasons cited above which we feel could cause economic hardship and devastation of our life-style, we oppose Senate Bill No. 346.

Thank you for your consideration.

Senator WIRTH. Mr. Thad Poulson.

## STATEMENT OF THAD POULSON, EDITOR, DAILY SITKA SENTINEL

Mr. POULSON. Thank you, Senator. My name is Thad Poulson. My wife and I are the owners, managers and editors of the Daily Sitka Sentinel, the Sitka newspaper. Before coming to Sitka in 1969, I was the Associated Press correspondent for the State of Alaska, stationed in Juneau.

I am testifying today as a journalist, a businessman and a 20-year resident of Sitka who prizes the unique values symbolized by this community.

I am in favor of the Murkowski-Stevens bill. I speak in favor of the compromise approach endorsed by the Southeast Conference of Cities. I speak against the Wirth and Mrazek bills that propose unilateral cancellation by the U.S. Government of the 50-year Federal contracts with the two Southeast Alaska pulp companies.

If the government has difficulty today in fulfilling these contracts, with safeguards to all long-term uses and values of the forest, it is because the Congress has repeatedly changed the boundaries of the playing field in the course of the game.

With all due respect, Senators, this, in the immortal words of Yogi Berra, is like deja vu all over again.

In my 20 years in Sitka, I have seen and experienced the transformation of Sitka from a provisioning economy where there was generally one place in town that might have what you want and if they did not you went without into the sophisticated and multi-faceted economy that we enjoy today. Naturally, my business, along with my debts and my payroll obligations, has grown with the fortunes of the town. Successful merchants advertise in my newspaper to promote their business and sell their merchandise, not to make a charitable or goodwill contribution. I am not ashamed to tell you that the latter motivation was all we could count on in my early days in Sitka, before the community achieved the critical mass of population and economic activity to truly sustain a daily newspaper.

University of Alaska economist George Rogers refers to the pulp industry of Sitka and Ketchikan as the anchor of all other economic activity of the region. Of course, that was the purpose of the long-term contracts in the first place. You will hear others with expertise testify that the timber and pulp industry is the economic foundation of one-fourth of the Sitka population. Loss of that critical one-fourth would be disastrous to our business community, and the shock waves would touch every resident of this town.

I am deeply troubled by the fact that neither the Wirth nor Mrazek bill addresses in any meaningful way the economic havoc that would visit upon the people and economy of Southeast Alaska, and, more particularly, upon Sitka.

These two bills, I believe, can only be characterized as punitive in effect, if not in intent. Punitive to innocent people, whatever their political views, whose only offense is to live, work, own property or do business in Sitka, Alaska at the time the U.S. Government reneged on a solemn obligation.

My environmentalist friends assure me that the pulp mills would continue to operate despite the unilateral abrogation of these contracts. I suggest that this is disingenuous in the extreme. The voiding of the contracts by the U.S. Government could be interpreted in only one way by the other parties: The volume of wood required for economic operation of the mills not only will not be guaranteed but, by inference from the fact of cancellation, the necessary timber will actually be denied.

Thank you.

Senator WIRTH. Thank you very much, Mr. Poulson.

[The prepared statement of Mr. Poulson follows:]

Testimony of Thad Poulson, editor and co-publisher, Daily Sitka Sentinel, April 25, 1989, Sitka, Alaska.

Senator Wirth, Senator Murkowski, Senator Burns:
Thank you for for coming to Sitka and giving the people who will be most directly affected by Tongass legislation the opportunity to testify.

My name is Thad Poulson. My wife and I are the owners, managers and editors of the Daily Sitka Sentinel, the Sitka newspaper. Before coming to Sitka in 1969 I was the Associated Press Correspondent for the State of Alaska, stationed in Juneau.

I am testifying today as a journalist, a businessman and a 20-year resident of Sitka who prizes the unique values symbolized by this community.

I am in favor of the Murkowski-Stevens bill. I speak in favor of the compromise approach endorsed by the Southeast Conference of Cities. I speak against the Wirth and Mrazek bills that propose unilateral cancellation by the U.S. government of the 50-year federal contracts with the two Southeast Alaska pulp companies.

If the government has difficulty today in fulfilling these contracts — with safeguards to all long-term uses and values of the forest — it is because the Congress has repeatedly changed the boundaries of the playing field in the course of the game.

With all due respect, Senators, this, in the immortal words of Yogi Berra, is like deja vu all over again.

In my 20 years in Sitka I have seen and experienced the transformation of Sitka from a provisioning economy — where there was generally one place in town that might have what you want and if it didn't you went without — into the sophisticated and multi-faceted economy that we enjoy today. Naturally, my business, along with my debts and my payroll obligations, have grown with the fortunes of the town. Successful merchants advertise in my newspaper to promote their business and sell their merchandise, not to make a charitable or goodwill contribution. I'm not ashamed to tell you that the latter motivation was all we could count on in my early days in Sitka, before the community achieved the critical mass of population and economic activity to truly sustain a daily newspaper.

University of Alaska Economist George Rogers refers to the pulp industry of Sitka and Ketchikan as the anchor for all other economic activity. Of course you know that this was the purpose of the long term contracts in the first place. You will hear others with expertise testify that the timber and pulp industry is the economic foundation of one fourth of the Sitka population. Loss of that critical one-fourth would be disastrous to our business community, and the shock waves would touch every resident of this town.

I am deeply troubled by the fact that neither the Wirth nor Mrazek bill addresses in any meaningful way the economic havoc they would visit upon the people and economy of Southeast Alaska, and more particularly upon Sitka.

These two bills can only be characterized only as punitive in effect, if not in intent. Punitive to innocent people, whatever their political views, whose only offense is to live, work, own property or do business in Sitka, Alaska at the time the United States Government reneged on a solemn obligation.

My environmentalist friends assure me that the pulp mills would continue to operate despite the unilateral abrogation of these contracts. I suggest that this is disingenuous in the extreme. The voiding of the contracts by the U.S. government could be interpreted in only one way by the other parties: the volume of wood required for economic operation of the mills not only will not be guaranteed, but, by inference from the fact of cancellation, the necessary timber will actually be denied.

There would be little reason for either mill to attempt to continue operation, and every reason to sue for damages. I find it extraordinary that neither the Mrazek nor the Wirth bill addresses the issue of compensation, to which there is no doubt the pulp companies would be entitled should either of these bills be enacted. I am not suggesting that either of these bills would be acceptable to the people of Southeast Alaska if there were compensation. I do suggest, however, that the reason the figure is not in the bills, is that it would grossly exceed the net annual cost of what the enemies of these contracts call the Tongass subsidy until the contracts expire, and would put the lie to any claim that passage of these bills would save money for the U.S. Treasury.

There is a parallel situation in the country at the present time. As Senators you will be called upon this year to approve legislation that will cost upwards of one hundred billion — that's billion with a B — dollars to honor the deposit insurance claims of depositors in failed, and in many cases, fraudulently run, savings and loan institutions. The rationale is that the credibility of the United States in honoring its obligations is as stake. I have yet to hear of anyone in public office suggest that the government not honor this obligation, despite its astounding cost.

I and thousands of my townspeople, Senators, have a much more modest claim against the full faith and credit of the United States, and that is that the spirit of the 50-year contracts that underpin our economy continue to be honored.

Mr. POULSON. There would be little reason for either mill to attempt to continue operation, and every reason to sue for damages. I find it extraordinary that neither the Mrazek nor the Wirth bill addresses the issue of compensation, to which there is no doubt the pulp companies would be entitled should either of these bills be enacted. I am not suggesting that either of these bills would be acceptable to the people of Southeast Alaska if there were compensation.

I do suggest, however, that the reason the figure is not in the bills is that it would grossly exceed the net annual cost of what the enemies of these contracts call the Tongass subsidy until the contracts expire and would put the lie to any claim that passage of these bills would save money for the U.S. Treasury.

There is a parallel situation in the country at the present time. As senators, you will be called upon this year to approve legislation that will cost upwards of $100 billion—that is billion with a B—to honor the deposit insurance claims of depositors in failed, and in may cases, fraudulently run, savings and loan institutions. The rationale is that the credibility of the United States in honoring its obligations is at stake. I have yet to hear of anyone in public office suggesting that the government not honor this obligation, despite its astounding cost.

I and thousands of my townspeople, Senators, have a much more modest claim against the full faith and credit of the United States, and that is that the spirit of the 50-year contracts that underpin our economy continue to be honored.

Senator WIRTH. Senator Murkowski?

Senator MURKOWSKI. Thank you, Mr. Chairman. I want to compliment the witnesses. I do not have any particular questions. I think it was covered in their testimony, the obligations that the Federal Government has.

I would like to compliment Elaine Sunde for the many courtesies that she extended our committee in making arrangements and hotels and various other things She, of course, works full time and has been very, very hospitable, as have all the folks in Sitka.

Senator BURNS. I would just reiterate, I thank you very much for making those arrangements.

I am getting a signal from this panel that your main concern is long-term contracts, is that correct? In other words, it is the main problem. You do not wish to lock up these areas but you object to the contracts and the attitude that goes with those contracts, is that right?

[Affirmative response.]

Senator BURNS. Thank you very much.

Senator WIRTH. Thank you very much, and thank you all very much. Elaine, thank you again for all of your help. We appreciate you all being here.

We have been going now for three hours, and why don't we take a 10-minute stretch. I will ask our Panel 3 if they will prepare to join us at 11:10, and we will proceed at that point.

Thank you.

[Recess.]

Senator WIRTH. If the committee would come back to order. The third panel this morning is a very distinguished group of Alaskans, Don Bremner, President of the Yakutat Alaska Native Brotherhood; Ernestine Hanlon from Hoonah; Charles Poulson from the Sealaska Corporation; James Senna, Chief Executive Officer, Shee Atika, Inc.; Ron Sparks, Klukwan, Inc.; Carlton Smith, Landless Urban Indians; and Austin Hammond, Chilkoot, Haines.

We thank you all very much for being here, being with us, and Mr. Bremner, why do you not begin?

## STATEMENT OF DON BREMNER, CHAIRMAN, YAKUTAT ALASKA NATIVE BROTHERHOOD CAMP 13

Mr. Bremner. Thank you, Senator Wirth. My name is Don Bremner. I am Chairman of the Yakutat A.N.B. Camp 13. I am also Chairman of the Yakutat Fishermen's Association and a member of the Board of Directors of the Yak-Tat Kwaan, Inc., Corporation, our native corporation formed under ANCSA of 1971.

As Chairman of the Yakutat ANB. I am here to say that our camp supports your Bill S. 346 and that we oppose Senator Murkowski's Bill S. 237.

After reviewing both S. 346 and S. 237, including all material available to our ANB. Camp, it is obvious that S. 346 comes closer to our camp goals, needs, and community desires of protecting the Yakutat Forelands from run-away logging. We view S. 346 as balancing all uses and resources within the Tongass National Forest with important accountability measures attached and bringing overdue cost benefit factors into a more realistic focus. However, to add strength to S. 346, our A.N.B. Camp recommends that you clearly add:

One, in S. 346, Title III, sections 301 and 302, that a 20-year moratorium be placed on the 232,962 acres of the Yakutat Forelands.

Two, that there be established Regional Tongass Regulatory Boards.

Three, that there be an additional economic plan established, based upon market supply and demand and a tax plan for all direct Tongass user groups of all TNF resources.

Four, that there be a section establishing Regional Research and Development Branches within the USFS.

In other areas, our ANB. Camp supports the positions of the City of Yakutat and Sealaska position paper on the TNF, dated 1/26/89. We further support the position that:

One, that ANILCA Section 705 be repealed and, long-term contracts 12-11-010-1545 and A10fs-1042 between U.S. and APC and U.S. & KPC, respectively, be terminated. These amount to unfair trade practices and do not allow for proper land management principles.

Three, that an ASQ be an average of 285 million board feet per year and no higher than 300 million board feet per year, unless the market demand is present.

Four, that the automatic $40 million TSF appropriation be repealed and replaced with an as needed, as cost/benefit dollar amount equivalent to the timber volume sales.

Five, there be no pre-roading programs in any Tongass sale area prior to a proper timber sale, based upon market supply and demand. Obviously, since the inception of ANILCA 705, the operational trend and impact have been leading to a balanced management plan of all TNF resources and user groups.

We feel that with S. 346, our recommendations, and if the U.S. Congress would work towards balanced foreign trade policies and practices, our timber industry and products would enjoy equal footing in the world trade markets. Also, with this action, all RNF user groups and resources will be better off and at least none the worse.

I have attached further written comments supporting our camp views.

Thank you.

[The prepared statement of Mr. Bremner to follows:]

April 25. 1989

Mr. Chairman, Senator Wirth:

My name is Don Bremner, I'm Chairman of the Yakutat A.N.B. Camp 13. I'm also Chairman of the Yakutat Fishermen's Association and a Board of Director of the Yak-Tat Kwaan, Inc. Corporation. our native corporation formed under ANCSA of 1971.

As Chairman of the Yakutat A.N.B. I'm here to say that our Camp supports your Bill S.346 and that We oppose Senator Murkowski's Bill S.237.

After reviewing both S.B. 346 and S.B. 237, including all material available to our A.N.B. Camp, it's obvious that S.B. 346 comes closer to our Camps goals, needs, and community desires of protecting the Yakutat Forelands from run-away-logging. We view S.B. 346 as balancing all uses and resources within the Tongass National Forest with important accountability measures attached and bringing overdue cost/benefit factors into a more realistic focus.

However, to add strength to S.B. 346 our A.N.B. Camp recommends, you clearly add:

1. In S.B. 346. Title III. Sections 301 & 302. that a (20) year Moratorium be placed on the 232,962 acres of the Yakutat Forelands.

2. There be established Regional Tongass Regulatory Boards.

3. There be an addition establishing an economic plan based upon market supply & demand and a Tax Plan for all direct Tongass user groups of all TNF resources.

4. There be a section establishing Regional Research & Development Branches within the U.S.F.S.

**In other areas our A.N.B. Camp supports the positions of the City of Yakutat and Sealaska position paper on the TNF, dated 1-26-89. We further support the positions that:**

**1. ANILCA Sec.705 be repealed.**

2. Long term contracts 12-11-010-1545 and A10fs-1042 between U.S. & APC and U.S. & KPC. respectively, be terminated. These amount to unfair trade practices and donot allow for proper land management principles.

3. That an ASQ be an average of 285 mmbf/yr and no higher than 300 mbf/yr , unless the market demand is present.

4. That the automatic $40,000,000.00 TSF appropriation be repealed and replaced with an as needed, as cost/benefit dollar amount equivalent to the timber volume sale.

5. There be no pre-roading programs into any Tongass sale area prior to a proper timber sale, based upon market supply & demand.

Obviously, since the inception of ANILCA 705 the operational trend and impacts has been leading to a balanced management plan of all TNF resources and user groups.

We feel that with S.B. 346, our recommendations and if the U.S. Congress would work towards balanced foreign trade policies & practices our timber industry and products would enjoy equal footing in the world trade markets. Also, with this action all TNF user groups and resources will be better off and at least none worse off.

Attached are further written comments supporting our camps views.

Thank-You,

Don Bremner, Chairman
A.N.B. Camp 13

attach/ Supporting Comments & Documents

# ANB/ANS

## 1987 GRAND CAMP CONVENTION

State + federal

**RESOLUTION NO.** 90

Submitted by: Yakutat ANB-ANS camp 13

Title: 450 MMBF

WHEREAS, 14 Southeast communities have passed resolutions condemning the 450 MMBF annual mandatory cut on the Tongass Forest; and,

WHEREAS, the Tongass Timber supply funds is allowing the U.S. Forest Service to road areas in rural Southeast which is largely contrary to local desires and is competitevley detrimental to regional and village corporation logging; and,

WHEREAS, the long term economic viability of Southeast's timber resource must be based upon market values rather than by government mandate and mandatory subsidy; and,

NOW, THEREFORE, BE IT RESOLVED by the membership of the ANB and ANS camp 13 that the mandatory 450 MMBF cut be eliminated and another method of timber allocation be instituted which wil truly benefit, on a sound economical and enviromental basis, a majority of the communications in Southeast; and,

BE IT FURTHER RESOLVED that the Tongass Timber supply fund be thoroughly re-evaluated so that so that true multiple use of resources (timber, fisheries, tourism, wildlife and subsistence) be achieved in concert with local community needs and desires; and,

BE IT FURTHER RESOLVED that all commercial users of the Tongass Timber resource have equal access allocation contracts and not a select few.

BE IT FURTHER RESOLVED that copies of this resolution be sent to members of the House and Senate, Congress Committee on Interior & Insulor affairs, Gov. Cowper, members of Alaska Legislature, U.S. Forest Service and the Alaska office of Management and Budget.

Senator WIRTH. Ernestine Hanlon.

## STATEMENT OF ERNESTINE HANLON, TLINGIT OF HOONAH, AK

Ms. HANLON. My name is Ka Sy Yah Gah and my English name is Ernestine Hanlon. I am Tlingit from Hoonah. From time memorial, my dad's family is from around Hoonah and my mom's family is from Killisnoo. I am from the Dogsalmon clan, of the Raven moiety.

I weave Tlingit spruce root baskets and Chilkat robes. The baskets are woven from the Sitka spruce roots and dyed grass. This form of weaving is centuries old: after the world flood receded or as long as the trees have been with us.

Tlingit artwork is recognized as high-quality pieces of work. Because of the richness of the land, we were not in search of food. We had the time to figure out how to weave a perfect circle in our Chilkat robes or carve a detailed totem pole depicting our family crest. We continue to produce beautiful baskets because, according to our "law of the land, 'we still have our trees. Each basket very, very old, and not so old, in our designs. All show a deep respect and appreciation of this land. A person can feel this through the generations as we come to the land to harvest materials for our baskets, Chilkat robes or other art work, as we gather our food and medicine.

Hoonah is surrounded by Tongass National Forest, a village that is predominately native. Fishing and hunting have always been the major way of life. The state of the land was such we were never hungry or cold.

More than any other place in Southeast Alaska, as a village, we feel the effect of logging and road building. We feel the impacts now and see irreparable damage to the land, should we allow the Forest Service to continue management as is. Murkowski's bill would not allow other protections that we need to guarantee survival of this land and our culture. It would only allow more mismanagement.

Thank you, Senator Wirth, for introducing S. 346. We need to see the end to the 4.5 cuts. We are living in enough destruction. The $40 million subsidy drives this destruction, mostly to needless roads, another negative impact to our way of life. We need to end the 50-year contracts and replace them with a short-term, competitive bids to show the American spirit of free enterprise. To strengthen Wirth's bill, we would like to see permanent protection to the 23 areas. Seven of these areas are very crucial to Hoonah, Pleasant Island-Lemesurier Islands and Port Adolphus are very crucial habitat for the deer and other wonderous wildlife. Port Althrop, Idaho Inlet, Mrd Bay, Lisianski River are such crucial fish habitats our fishermen can hardly believe our government wants to destroy it.

Our fishing industry includes five types of crabbing, shrimping, halibut, cod, snapper, herring, King Salmon, Dog Salmon, humpy, Coho and Sockeye Salmon. Historically, we have the expertise of fish by knowing the seasons of the runs, using different types of gear to catch the fish, knowing the winds and tides, also of smoking and storing of the fish. As "Subsistence Users of Hoonah Want to be Heard" points out, our fisheries and seafood have been affected already through river erosion: salmon spawns have been washed away, log yards and dumps cause continuous oil leakage into waters, and bark from logs stored in waters are causing untold damage.

As fishermen go to the fishing grounds, they tell us they have to be on constant alert of floating logs. This potential causes damage to boats, fishing gear, engines and lives. They travel a lot by night because of regulated fishing time, a quota which seems to get cut more each year.

Our fishermen at the same time are not happy to see foreign fishermen so easily rob another resource. We are the only country that has to shake fish that are incidental catches. For example, during Black Cod season, the halibut has to be tossed back to the sea to watch it float or sink, sometimes up to 20,000 pounds a season per boat. This is against our beliefs or laws, knowing this can feed families throughout a winter. We cannot afford to let this country ruin more natural habitat by logging practices we have to live with.

For years, the Forest Service has been saying in their EIS that there is no significant impact on our way of life. As a plaintiff in Hanlon v. Barton we had no choice but to take action before we lost everything. ANILCA, Title 8, a "subsistence" law, is finally being realized and being complied with.

We had to sue the Forest Service and ADC to protect our way of life. If you fly over the tip of Chichagof Island, you will see the beginning of Forest Service cuts and get a better understanding of what we face on our hunting and fishing grounds.

May you hear the voices of our ancestors.

Senator WIRTH. Thank you very much.

[The prepared statement of Ms. Hanlon follows:]

Statement of Ernestine Hanlon
Tlingit of Hoonah, Alaska
BEFORE THE U.S. SENATE SUBCOMMITTEE
ON PUBLIC LANDS, NATIONAL PARKS
AND FORESTS.

APRIL 25, 1989.

MY NAME IS KA SY YAH GAH, MY ENGLISH NAME IS ERNESTINE HANLON, I AM TLINGIT FROM HOONAH. FROM TIME IMMEMORIAL, MY DAD'S FAMILY IS FROM AROUND HOONAH AND MY MOM'S FAMILY IS FROM KILLISNOO, I AM FROM THE DOGSALMON CLAN, OF THE RAVEN MOEITY.

I WEAVE TLINGIT SPRUCE ROOT BASKETS AND CHILKAT ROBES. THE BASKETS, ARE WOVEN FROM THE SITKA SPRUCE ROOTS AND DYED GRASS. THIS FORM OF WEAVING IS CENTURIES OLD, AFTER THE WORLD FLOOD, RECEDED OR AS LONG AS THE TREES HAVE BEEN WITH US.

TLINGIT ARTWORK, IS RECONGIZED, AS A HIGH QUALITY PIECES OF WORK, BECAUSE, OF THE RICHNESS OF THE LAND, WE WERE NOT IN SEARCH OF FOOD. WE HAD THE TIME TO FIGURE OUT HOW TO WEAVE A PERFECT CIRCLE, IN OUR CHILKAT ROBES, OR CARVE A DETAILED TOTEM POLE, DEPICTING OUR FAMILY CREST. WE CONTINUE TO PRODUCE, BEAUTIFUL BASKETS BECAUSE, ACCORDING TO OUR "LAW OF THE LAND", WE STILL HAVE OUR TREES. EACH BASKET VERY, VERY OLD, AND NOT SO OLD, IN OUR DESIGNS, ALL SHOW A DEEP RESPECT AND APPRECIATION OF THIS LAND. A PERSON CAN FEEL THIS THROUGH THE GENERATION AS WE COME TO THE LAND, TO HARVEST MATERIALS, FOR OUR BASKETS, CHILKAT ROBES OR OTHER ART WORK, AS WE GATHER OUR FOOD AND MEDICINE.

HOONAH, IS SURROUNDED BY TONGASS NATIONAL FOREST, A VILLAGE, THAT IS PREDOMINATLY NATIVE. FISHING AND HUNTING, HAS ALWAYS BEEN THE MAJOR ~~INDUSTRY~~. THE STATE OF THE LAND, WAS SUCH, WE WERE NEVER, HUNGRY OR COLD. way of life

MORE THAN ANY OTHER PLACE IN SOUTHEAST ALASKA, AS A VILLAGE, WE FEEL THE AFFECT OF LOGGING AND ROAD-BUILDING. WE FEEL THE IMPACTS, NOW AND SEE IRREPABLE DAMAGE TO THE LAND, SHOULD WE ALLOW THE FOREST SERVICE TO CONTINUE MANAGEMENT AS IS. MURKOWSKI'S BILL WOULD NOT, ALLOW OTHER PROTECTIONS, THAT WE NEED TO GUARANTEE, SURVIVAL OF THIS LAND AND OUR CULTURAL, IT WOULD ONLY ALLOW MORE MISMANAGEMENT.

THANK YOU SENATOR WIRTH, FOR INTRODUCING S346. WE NEED TO SEE END TO THE 4.5 CUTS, WE ARE LIVING IN ENOUGH DESTRUCTION. THE $40 MILLION SUBSISDY, DRIVES THIS DESTRUCTION, MOSTLY TO NEEDLESS ROADS, ANOTHER NEGATIVE IMPACT, TO OUR WAY OF LIFE. WE NEED TO END THE 50 YEAR CONTRACTS AND REPALCE THEM WITH A SHORT TERM, COMPETITIVE BIDS, TO SHOW THE AMERICAN SPIRIT OF FREE ENTERPRISE. TO STRENGTHEN WIRTH'S BILL, WE WOULD LIKE TO SEE PERMANENT PROTECTION TO THE 23 AREAS. 7 OF THESE AREAS, ARE VERY CRUCIAL TO HOONAH. PLEASENT ISLAND, LEMISURE ISLAND AND POINT ADOLPHUS, ARE VERY CRUCIAL HABITAT, FOR THE DEER AND OTHER WONDEROUS WILDLIFE.

APRIL 25, 1989.
PAGE 2,

PORT ALTHROP, IDAHO INLET, MUD BAY, LISIANSKI RIVER, IS, SUCH A CRUCIAL FISH HABITAT, OUR FISHERMAN, CAN HARDLY BELIEVE, OUR GOVERNMENT, WANTS. TO DESTROY IT.

OUR FISHING INDUSTRY INCLUDES: 5 TYPES OF CRABBING, SHRIMPING, HALIBUT, COD, SNAPPER, HERRING, KING SALMON, DOGSALMON, HUMPY, COHO AND SOCKEYE SALMON. HISTORICALLY, WE HAVE THE WXPERTIXE OF FISH. BY KNOWING THE SEASON OF THE RUNS, USING DIFFERENT TYPES OF GEAR TO CATCH THE FISH, KNOWING THE WINDS AND TIDES, ALSO OF SMOKING AND STORING OF THE FISH. AS "SUBSISTENCE USERS OF HOONAH, WANT TO BE HEARD", POINTS OUT, "OUR FISHERIES AND SEAFOOD HAD BEEN AFFECTED, ALREADY THROUGH RIVER EROSION, SALMON SPAWNS HAVE BEEN WASHED AWAY, LOG YARDS AND DUMPS CAUSE CONTINOUS OIL LEAKAGE INTO WATERS AND BARK FROM LOGS STORED IN WATERS, ARE CAUSING UNTOLD DAMAGE."

AS FISHERMAN GO TO THE FISHING GROUNDS, THEY TELL US THEY HAVE TO BE ON CONSTANT ALERT, OF FLOATING LOGS. THIS POTENTIAL AND REALISTIS, DAMAGE TO BOATS. FISHING GEAR, ENGINES AND LIVES!!!!!! THEY TRAVEL ALOT BY NIGHT, BECAUSE OF REGULATED FISHING TIME, A QUOTA WHICH SEEMS TO GET CUT MORE EACH YEAR.

OUR FISHERMAN, AT THE SAME TIME ARE NOT HAPPY TO SEE FORIEGN FISHERMAN, SO EASILY ROB ANOTHER RESOURCE. WE ARE THE ONLY CONTRY THAT HAS TO SHAKE FISH THAT ARE INCIDENTAL CATCHES. FOR EXAMPLE: DURING BLACK COD SEASON, THE HALIBUT HAS TO BE TOSSED BACK TO THE SEA TO WATCH IT FLOAT OR SINK. SOMETIMES UP TO 20,000 POUNDS A SEASON PER BOAT. THIS IS AGAINST OUR BELIEVES OR LAWS KNOWING THIS CAN FEED FAMILIES THROUGHOUT A WINTER. WE CAN'T AFFORD TO LET THIS COUNTRY RUIN MORE NATURAL HABITAT, BY LOGGING PRACTICES, WE HAVE TO LIVE WITH.

FOR YEARS, THE FOREST SERVICE, HAS BEEN SAYING IN THEIR E.I.S. THAT THERE IS NO SIGNIFICANT IMPACT, ON OUR WAY OF LIFE!!!!!!! AS A PLANTIFF IN "HANLON VS. BARTON" WE HAD NO CHOICE, BUT TO TAKE ACTION BEFORE WE LOST EVERYTHING. ANILCA, TITLE 8 , A "SUBSISTENCE" LAW, IS FINALLY BEING REALIZED AND BEING COMPIED TO.

IN OUR INJUNCTION, WE ARE ABLE, TO PROTECT, 17 V.C.U.'S IN WHITE STONE HARBOR, WHICH IS A CRUCIAL DEER HABITAT. A LOG TRANSFER FACILITY WOULD NOT BE PUT IN V.C.U. 209. ROAD ACCESS TO SOME UNITS WILL BEHALTED. THE FOREST SERVICE IS NOW REQUIRED TO SEE IF ANY OF THE PLANS. FOR LOGGING WILL HAVE IMPACT ON OUR WAY OF LIFE, WITH RESPECT TO THE 1986-90 APC OPERATING PLAN. ALSO ANY CARRY OVER, WILL HAVE TO HAVE A SUBSISTENCE HEARING. FOR THE RECORDS: HERE IS THE STIPULATION FOR ENTRY OF INJUNCTION. THIS PROVES TO ME THAT OUR TRIBAL BELIEVES OR LAWS OF PROTECTING OUR LAND. WILL FOREVER...PROVE TO BE RIGHT. THIS LAND AND OUR PEOPLE CAN NOT BE SEPARATED, IT IS OUR RESPONSIBITY, TO CO-EXIST AND SPEAK FOR THE LAND.

TONGASS NATIONAL FOREST IS BEAUTIFUL CONTRY. CONTINUED LIFE OF THIS LAND, WILL BE CONTINUED LIFE AND CULTURE OF THE TLINGIT PEOPLE.

AS YOU ARE IN THIS AREA, FLY OVER THE NORTHERN TIP OF CHICAHAGOF ISLAND, YOU WILL SEE THE BEGINING OF THE FOREST SERVICE CUTS AND GET A BETER UNDERSTANDIN OF WHAT WE FACE.

I WOULD LIKE TO THANK YOU FOR THE OPPORTUNITY TO TESTIFY IN FAVOR OF BILL S 346.

Ms. **Hanlon**. In our injunction we are able to protect 17 VCU.'s in White Stone Harbor, which is a crucial deer habitat. A log transfer facility would not be put in VCU. 209. Road access to some units will be halted. The Forest Service is now required to see if any of the plans for logging will have an impact on our way of life with respect to the 1986–90 APC operating plan. Also, any carryover will have to have a subsistence hearing. For the records, here is the stipulation for entry of injunction. This proves to me that our tribal beliefs or laws of protecting our land will forever prove to be right. This land and our people cannot be separated. It is our responsibility to co-exist and speak for the land.

Tongass National Forest is beautiful country. Continued life of this land will be continued life and culture of the Tlingit people.

I would like to thank you for the opportunity to testify in favor of Bill S. 346.

Senator **Wirth**. Mr. Carlson.

## STATEMENT OF CHARLES CARLSON, DIRECTOR, SEALASKA CORP.

Mr. **Carlson**. Thank you, Mr. Chairman.

My name is Charles Carlson, and I am a director of Sealaska Corporation.

On behalf of Sealaska, I would like to express our appreciation to the Senate Energy Committee and this subcommittee for inviting us to testify today.

As a preliminary matter, we would like to note that the debate process surrounding the Tongass Reform Legislation has been a difficult but often rewarding experience. We would like to thank the Southeast Conference of Mayors for their courage and contribution in the debate on the Tongass. They have taken farsighted, and sometimes politically unpopular, positions in framing their position on Tongass Management. Sealaska supports many of their positions and encourages the subcommittee to seriously consider their recommendations.

We also want to thank the Governor's office for its diligent work with the many interested parties in this process and for its efforts in crafting workable compromises.

I would like to focus your attention today on some of the points we consider critical to the Tongass debate. You have an opportunity to convert the Tongass reform legislation into a farsighted economic development bill. You can help set us on a path toward economic diversification that will provide us and our children with a reliable and sustainable economic future.

First, we believe that Tongass Forest management must strive to accomplish multiple-use objectives. In 705 (a) of ANILCA, Congress directed a great deal of money toward protecting the "dependent timber industry" in Alaska to protect the jobs in that industry. Congress provided little money to tourism, commercial fishing or mining. Despite eight years of this one-directional subsidy, employment in the timber industry is down, not including native employment. At the same time, fishing and tourism are booming, and mining is growing.

Currently, the primary force in management decisions on the Tongass are the two long-term timber contracts. The Forest Service is severely constrained in its management choices by the terms of the contracts. It is difficult, if not impossible, for the Forest Service simultaneously to comply with the long-term contracts and achieve the myriad other multiple-use objectives required by law, including providing recreational opportunities, offering timber to independent purchasers and protecting wildlife and subsistence resources.

Senator WIRTH. Unfortunately, it is red light time. Mr. Carlson, we will include your statement in the record in full. Do you have a brief summary paragraph you would like to make?

Mr. CARLSON. Not really. We deleted a lot to get into this time frame. I thank you.

Senator WIRTH. We will get all of that in the record and, of course, the record will be left open.

[The prepared statement of Mr. Mallott follows:]

# ORAL PRESENTATION

## TESTIMONY OF
## BYRON I. MALLOTT
## CHIEF EXECUTIVE OFFICER
## SEALASKA CORPORATION

SUBCOMMITTEE ON

PUBLIC LANDS, NATIONAL PARKS AND FORESTS

SENATE COMMITTEE ON

ENERGY AND NATURAL RESOURCES

APRIL 25, 1989

## I. INTRODUCTION

Good morning. My name is Byron Mallott and I am the Chief Executive Officer of Sealaska Corporation. On behalf of Sealaska, I would like to express our appreciation to the Senate Energy Committee and this Subcommittee for inviting us to testify today. As a preliminary matter, we would like to note that the debate process surrounding the Tongass Reform Legislation has been a difficult but often rewarding experience. We would like to thank the Southeast Conference of Mayors for their courage and contribution in the debate on the Tongass. They have taken far-sighted, and sometimes politically unpopular, positions in framing their position on Tongass Management. Sealaska supports many of their positions and encourages the Subcommittee to seriously consider their recommendations.

We also want to thank the Governor's office for its diligent work with the many interested parties in this process and for its efforts in crafting workable compromises.

## II. STATEMENT

It is appropriate that Sealaska Corporation participate in the Tongass debate. We bring a unique perspective to the issues arising from the Tongass debate. Our congressionally established boundaries encompass the entire Tongass National Forest. Sealaska shareholders also are shareholders in 12 urban and village corporations in Southeast. Virtually every community in the Tongass counts among its residents descendants of the first human inhabitants of the Tongass: the Native people of Southeast Alaska. Our shareholders are part and parcel with the Tongass.

The Alaska Native Community is a vital and interrelated component of the society and economy of the region. Sealaska Corporation and the numerous Village Corporations are Alaska based and Native owned. The employment created by Native Corporations is employment for Southeast residents. The revenue from our fishing, timber and mining activities stays in the region and stimulates the regional economy. Our shareholders, the Native Alaskans, have been here since before recorded history and they will continue to be here after the debate on the Tongass has subsided.

A. ECONOMIC DIVERSITY

I would like to focus your attention today on some of the points we consider critical to the Tongass debate. You have an opportunity to convert the Tongass reform legislation into a far-sighted economic development bill. You can help set us on a path toward economic diversification that will provide us, and our children, with a reliable and sustainable economic future.

First, we believe that Tongass Forest management must strive to accomplish multiple-use objectives. In 705(a) of ANILCA, Congress directed a great deal of money toward protecting the "dependent timber industry" in Alaska to protect the jobs in that industry. Congress provided little money to tourism, commercial fishing, or mining. Despite eight years of this one-directional subsidy, employment in the timber industry is down, not including

Native employment. At the same time, fishing and tourism are booming and mining is growing.

Currently, the primary force in management decisions on the Tongass are the two long term timber contracts. The Forest Service is severely constrained in its management choices by the terms of the contracts. It is difficult, if not impossible, for the Forest Service simultaneously to comply with the long term contracts and achieve the myriad other multiple-use objectives required by law, including providing recreational opportunities, offering timber to independent purchasers, and protecting wildlife and subsistence resources.

Sealaska believes the long term contracts are an important part of the regional economy. Nonetheless, they should not be omnipotent to the point of making all other multiple-use objectives subservient to them. The long term contracts should not be the engine pulling the regional economy. Rather, they should be one car in the economic train that is driven by the forces of supply and demand within the multiple-use framework.

## 1. REGIONAL ATTITUDE SURVEY

In recent weeks, Sealaska commissioned an independent survey of Southeast Alaska residents to determine their attitudes on the Tongass reform legislation and their expectations about the future of the Tongass. There were a number of surprising results from the survey, but perhaps the most significant were the answers to the following three questions.

> When asked what they considered the most important industry in Southeast Alaska presently, 46% of the respondents chose commercial fishing; 21% chose tourism; and 19% chose timber.
>
> When asked what they considered the most important industry to the future of Southeast Alaska, 37% chose commercial fishing; 21% chose tourism; 21% chose managing use of wilderness, park and monument areas; 15% chose timber; and 11% chose mining.
>
> When asked about diversifying the Tongass Forest economy, 82% supported greater economic diversity, and 89% agreed that the Tongass Forest management should promote growth in non-timber industries like commercial fishing, mining, and tourism.

This indicates that the people of the Tongass do not expect to hitch their economic wagon exclusively to the timber industry. Rather, they expect to have a diversified economic team pull them into the future. It is noteworthy that only 9% of the respondents to the survey favored contract cancellation, but fully one half felt that the contracts should be modified.

We have made the survey available to the Committee.

## B. FISHERIES ENHANCEMENT

The next area of concern to Sealaska is fisheries enhancement and habitat protection. Sealaska encourages you to strike an appropriate balance between conservation and development. We have proposed that seven areas be designated as Fisheries Protection Areas. These areas provide exceptional habitat and spawning grounds for large populations of fish. Without these areas, the fragile chain holding together the annual ecological cycle of birth and death can be irreversibly destroyed.

We have seen in dramatic fashion, from the oil spill in Prince William Sound, how man's negligent errors can threaten the fishstocks and other marine population, which in turn jeopardize economic livelihood of thousands of Alaskans. We cannot afford to make a similar error by reducing the natural habitat for wildstock fish.

We recommend that a substantial portion of the current Tongass Timber Supply fund be redirected toward fisheries protection and enhancement, economic diversification and community impact grants. Both the Governor and the Southeast Conference support this need. We have legislative language to achieve this objective as an addendum to my testimony.

Such a reallocation would not only brunt the inevitable economic impacts of reduced funding for timber harvesting and facilitate a move toward economic diversification, but it also will help reduce the ecologic impact of the recent oil spill on wildstock fish populations, and provide some cushion against the potential for future errors. Between the oil spill and illegal high seas drift-netting by some Asian countries, viable populations of commercial fish may very well be in jeopardy.

### C. LAND MANAGEMENT AND EXCHANGES

Finally, Congress must solve the land allocation issues that continue to be in limbo eighteen years after passage of ANCSA. Among these controversies are Admiralty Island and a host of other Native exchanges that would implement ANCSA and create new economic opportunities. We also support reallocating certain lands for conservation, including the seven fisheries management zones mentioned above.

One area that has become increasingly important, due to recent developments in the world of physics, is the Brady Glacier area. Brady Glacier may contain mineral deposits of world class proportion. One of the important minerals in the area is palladium, an important element used in the newly discovered process of cold fusion. If the new discoveries prove accurate after further research, a ready and reliable domestic supply of palladium will be critically important. We have submitted to the Committee a proposed amendment that would build on Title XV of ANILCA and direct a study of this deposit and a report to Congress.

## III. CONCLUSION

Sealaska has been active in trying to develop a consensus among the Southeast Alaska residents regarding the best overall approach to Tongass reform. We are beginning to see that consensus forming in the more recent testimony of the State, the fine work of the Southeast Conference, the recent revisions adopted by the Alaska Loggers Association to their Tongass policy statement, and in some of the language added to H.R. 1368 in mark-up by the House Agriculture Committee.

As a final point, I would like to refer you to one last result of our attitude survey. When asked whether now is the time for a compromise on the future of the Tongass Forest, which balances employment opportunities and environmental protection, 84% agreed. The people of the Tongass are asking you, the United States Congress, to move ahead swiftly on a Tongass compromise that gives us some certainty about our future.

Thank you for giving Sealaska the opportunity to testify today. I would be glad to answer any questions you may have.

Senator **Wirth**. Mr. Senna.

### STATEMENT OF JAMES SENNA, SHEE ATIKA, INC.

Mr. **Senna**. My name is James Senna. I am President/CEO of Shee Atika, Incorporated, which is a native corporation formed by the Natives of Sitka under the Alaska Native Claims Settlement Act, ANCSA.

The shareholders of Shee Atika and their families comprise over 24 percent of Sitka's total population, and we thank you for this opportunity to testify.

The Tongass issues are important to us, and we support some changes. S. 237 represents a balanced view. However, S. 346 poses an unconscionable threat to Sitka and to Shee Atika shareholders.

Termination of the long-term timber sale contract with Alaska Pulp Corporation would do away with 23 percent of all jobs in Sitka. While this would devastate the community at large, the Natives would be hardest hit.

Native unemployment here, at over 20 percent, is already higher than the overall rate of 8 percent. Natives tend to have less education, lower incomes, experience more social problems and already lean heavily on government support.

Sitka is not like small towns in the Lower 48. We are isolated. The road ends seven miles out of town. Arguably, Alaska Pulp might recover, because of possible reparations. The more mobile non-Native population will move, but the Natives, less economically mobile, already subjected to greater social and economic duress, with deep roots and heritage here, will stay, and most likely will require additional government support.

Sitka enjoys a reasonably balanced economy. Tourism and fishing are important, but those and other segments are not growing fast enough to ever replace the jobs the pulp mill provides.

We generally support the position of the Alaska Loggers Association with respect to the other Tongass issues, but our gravest concern is preservation of the timber contracts. We estimate that over 30 percent of all jobs held in Sitka by Natives and their family members are attributable to the pulp mill. We want to save our jobs, not more government support.

Whatever happened to the idea that a deal is a deal? In S. 346 you propose breaching the contract with the mill. If you get away with this, all Sitkans will suffer, not just Alaska Pulp. The credibility of Congress will suffer, too.

One mill, in a town of 8,200 people, may not seem important to senators and congressmen from the Lower 48, but I must ask, would any of you support a bill that would cost 23 percent of the jobs in your district?

We support S. 237. Thank you.

Senator **Wirth**. Mr. Sparks.

### STATEMENT OF RONALD SPARKS, MEMBER, BOARD OF DIRECTORS, KIUKWAN, INC.

Mr. **Sparks**. Thank you, Mr. Chairman. My name is Ronald Sparks. I am a life-long resident of Southeast Alaska, having been born and raised in Haines.

A very brief summary of my employment background will demonstrate my commitment to the status quo operation of the Tongass Forest. I spent a great deal of my youth working in sawmills in the Haines area. I spent 24 years as a teacher in the Sitka School District. Paramount in my life is my involvement as a Southeast Alaska gillnet fisherman. I have been involved in this fishery for 40 years. Hopefully, the latter gives me credibility in overlapping of occupations. I have long advocated the viability of fishing and logging, provided one group respects the other.

I am here today speaking as a director of Klukwan, Inc., an ANCSA corporation. I am concerned about the long-term goals that my corporation set years ago. These goals include acquiring timber through the Tongass Small Business Set-Aside Sales Program. Another goal of our corporation is to build a primary manufacturing facility. This will enable us to fully utilize the investments already made in logging and road building.

An additional goal of our corporation is to fulfill the commitment we have made to our employees concerning long-term employment.

As a fisherman, I feel that salmon resources should be protected. If land withdrawals are needed to protect the major salmon river systems, then land adequate for protection should be withdrawn.

As a director of a landowner and logging company, I am cognizant of businesses that serve both fisheries and logging. Infrastructure is present and local investments have been made upon assumptions that there will be a viable timber industry and continued fisheries at the present level.

The economies of Southeast Alaskan communities are diverse and interdependent. I do not believe the economy of many Southeast communities would survive the loss of the timber industry. We must have multiple use of our resources in order to sustain our diversified economy.

Any radical changes in the Tongass will not only hurt the economy of Southeast, but could destroy the dreams of many people dependent upon the Tongass.

In conclusion, there is a group of many people we call the "landless" who feel that they were left out. I would appreciate consideration of resolving this issue through current Tongass election.

I know the protocol allows me to say that I am very proud of my senator. What he was saying earlier this morning almost brought tears to my eyes.

Thank you very much, sir.

Senator WIRTH. Thank you very much, Mr. Sparks.

Mr. Smith.

## STATEMENT OF CARLTON R. SMITH, SOUTHEAST ALASKA NATIVE LAND ACQUISITION COALITION

Mr. SMITH. Thank you very much for the opportunity to speak to you today. My name is Carlton Smith and on behalf of more than 2,000 Alaska Natives from Southeast Alaska, I extend to you a warm welcome to the Tongass.

Teddy Roosevelt chose to rename the Tongass in 1902 after the Tongass, Tlingit, people. So, we believe it is only fitting in your deliberation of this issue that the Tlingit people officially welcome you to the Tongass.

I speak to you today as the representative of the Southeast Alaska Native Land Acquisition Coalition. My testimony will be a departure from that you have heard previously and from testimony which will follow.

I am from the community of Haines, Alaska, and was originally enrolled under the terms of the Alaska Native Claims Settlement Act of 1971 as a Haines village enrollee.

The Tongass is home to us, is where we are born. It is where we bury our loved ones. It is where we raise our children, and it is where our grandchildren will live.

For some, the Tongass has become a battleground where outside competing interests vie for control. To others, it is simply a scenic landscape to be viewed from the decks of a tour vessel or from the pages of a visitor's photo album. However, for us, from Fort Tongass to Chilkat, we know this land as Tlingit Aani, "Human land," our land.

Our stake in the Tongass issue is appropriate because we hold valid, existing claims to land entitlements fashioned by ANCSA. However, the fulfillment of those entitlements remains incomplete.

Our membership of claimants from the five communities of Wrangell, Petersburg, Ketchikan, Tenakee and Haines each have factual, logical and valid claims for the reconveyance of five townships of land from the Tongass.

We contend that these communities should be treated fairly and equitably along with the other village corporations under the original guidelines for village enrollees that Congress itself approved.

We have waited nearly 20 years for the promise of reconveyance to become a reality. We have a strong conviction that the Tongass legislation before you will provide the appropriate vehicle to resolve these claims, and we hope Congress will provide that legislative solution. We firmly believe that our claims should now be acted upon through negotiation.

We believe that reconveyance of our entitlements will bolster and secure important subsistence and cultural values while, at the same time, creating balanced economic opportunities for all of our region's residents.

However, we wish to state clearly our acute awareness of the great complexities in the Tongass debate. We fully understand that all interested parties, including this Coalition, will have to negotiate a solution acceptable in view of the checkerboard of competing interests at this table today.

The Coalition strongly supports the existence of viable timber industry in the Southeast, and we recognize that logging plays a major role in providing jobs and income to residents throughout the region. At the same time, we insist that our home-based industries accept full responsibility for the impact of their operations on the environment.

First, we ask that this committee recognize the issue of land entitlements which has been raised and determine the potential for discussing the issue in future deliberations.

Second, we ask that Congress open a viable and structured dialogue for discussions of this issue.

Third, we ask for an examination by this committee and Congress of several appropriate legislative options for resolution of this issue.

Senator WIRTH. Thank you, Mr. Smith.

[The prepared statement of Mr. Smith follows:]

### Testimony of Carlton R. Smith
on behalf of
**The Southeast Alaska Native Land Acquisition Coalition**
before the Senate Energy Subcommittee on Public Lands Concerning the Tongass
April 25, 1989
Sitka, Alaska

Thank you this opportunity to speak to you today. My name is Carlton Smith, and on behalf of the more than 2,000 Alaska Natives from Southeast Alaska, I extend to you a warm welcome to the Tongass.

Teddy Roosevelt chose to rename the Tongass in 1902 after the Tongass (Tlingit) people, so we believe it's only fitting in your deliberation of this issue that the Tlingit people officially welcome you to the Tongass.

I speak to you today as the representative of the Southeast Alaska Native Land Acquisition Coalition. My testimony will be a departure from that you have heard previously and from testimony which will follow.

I am from the community of Haines, Alaska and was originally enrolled under the terms of the Alaska Native Claims Settlement Act of 1971 as a Haines village enrollee.

The Tongass, as home to us, is where we are born. It is where we bury our loved ones. It is where we raise our children..... and it is where our grandchildren will live.

For some, the Tongass has become a battleground where outside competing interests vie for control. To others it is simply a scenic landscape to be viewed from the decks of a tour vessel or from the pages of a visitor's photo album.

But for us, from Fort Tongass to Chilkat....we know this land as Tlingit Aani. "Human" land. Our land.

Our stake in the Tongass issue is appropriate because we hold valid, existing claims to land entitlements fashioned by ANCSA. However, the fulfillment of those entitlements remains incomplete.

Our membership of claimants from the five communities of Wrangell, Petersburg, Ketchikan, Tenakee and Haines, each have factual, logical and valid claims for the reconveyance of five townships of land from the Tongass.

We contend that these communities should be treated fairly and equitably along with the other village corporations under the original guidelines for village enrollees that Congress itself approved.

Fair and equitable treatment means that these claimants must be given their respective land entitlements which remain pending.

The coalition which I represent today, as an Alaskan corporation, has coordinated this effort and will serve to achieve a settlement which is acceptable to its membership.

We have waited nearly twenty years for the promise of reconveyance to become a reality. We have strong conviction that the Tongass legislation before you will provide the appropriate vehicle to resolve these claims, and we hope Congress will provide that legislative solution. We firmly believe that our claims should now be acted upon through negotiation.

Resolution of these existing claims will have a tremendous impact both directly on all Alaska Natives in Southeast and, indirectly, on the region's population and economy as a whole.

We believe that reconveyance of our entitlements will bolster and secure important subsistence and cultural values while, at the same time, create balanced economic opportunities for all of our region's residents.

However, we wish to clearly state our acute awareness of the great complexities in the Tongass debate. We fully understand that all interested parties, including this coalition, will have to negotiate a solution acceptable in view of the checkerboard of competing interests at this table today.

The creation of jobs, the opportunity to develop viable industries in the region and protection of the environment are all clear priorities for our future.

I wish to make clear that the coalition strongly supports the existence of a viable timber industry in Southeast. We recognize that logging plays a major role in providing jobs and income to residents throughout the region

At the same time, we insist that our home-based industries accept full responsibility for the impact of their operations on the environment. Proper safeguards must be put in place to ensure harvesting takes place safely and in an environmentally acceptable manner.

Toward resolving these conflicts and addressing the issues I have raised today, we urge Congress to execute the following actions prior to making any decision on the Tongass:

First, we ask that this committee recognize the issue of land entitlements which has been raised and determine the potential for discussing the issue in future deliberations.

Second, we ask that Congress open a viable and structured dialogue for discussions of this issue; and

Third, we ask for an examination by this committee and Congress of several appropriate legislative options for resolution of this issue.

Again, welcome to Tlingit Aani. The Tongass. Our home. We look forward to working with you toward the goal of negotiating a fair settlement. Your attention and concern is appreciated.

Contact: Carlton Smith
Southeast Alaska Native Land Acquisition Coalition
2600 Cordova Street #100
Anchorage, Alaska 99503

Telephone: 276-2761
Fax: 276-4429

# BACKGROUND PAPER TO THE STATEMENT OF
CARLTON SMITH,
REPRESENTATIVE OF THE SOUTHEAST ALASKA ANCSA
LAND ACQUISITION COALITION, INC.,
ON S. 346 BEFORE THE
SENATE SUBCOMMITTEE ON
PUBLIC LANDS, NATIONAL PARKS, AND FORESTS.

SITKA, ALASKA APRIL 25, 1989

1. What is the coalition?

The coalition consists of Alaska Natives who are shareholders of Sealaska Corporation who are enrolled at the communities of Haines, Ketchikan, Petersburg, Tenakee Springs, and Wrangell. There are over 2,000 such enrollees at the present time. This figure does not include those Alaska Natives born since the passage of ANCSA in 1971. The coalition is incorporated as a nonprofit corporation under the laws of the State of Alaska, and has been approved under 501 (c) (4) of the Internal Revenue Code by the Internal Revenue Service.

Each of the Alaska Native communities is within a majority white community in the Tongass National Forest. Each Native community, however, has historical ties to the location of these white communities, and is an American Indian group with a trust relationship to the federal government. A brief history of each Native community shows the continuity of residence of Natives in these areas.

The Haines area is a part of the traditional territory of the Chilkoot Tlingit. The Tlingit name of the village was "Deshu," meaning end of the trail. It was a trading post for barter between the Chilkoot and Interior Indians. The Chilkoot Indian Association of Haines is an entity formed under the Indian Reorganization Act and recognized by the U.S. Department of the Interior. The total population of Haines in 1985 was 1,151. There are 274 Alaska Natives enrolled under the provisions of ANCSA at Haines.

The Ketchikan area is a part of the traditional territory of the Tongass Tlingit. The Tlingit name of "Kitschkhin" was used by the German anthropologist Krause in 1881. Ketchikan was formerly a Tlingit summer camp used in connection with the Tlingit salmon fishery. The Ketchikan Indian Corporation is an entity formed under the Indian Reorganization Act and recognized by the U.S. Department of the Interior. The total population of Ketchikan in 1985 was 7,311. There are 1,278 Alaska Natives enrolled under the provisions of ANCSA at Ketchikan. The Tlingit who reside at Ketchikan are descendants of the Tongass people, but have long had a separate history from those at nearby Saxman.

The Petersburg area is a part of the traditional territory of the Stikine Tlingit. The original resident of the area was John Lot, a Tlingit, and he was living in the area now occupied by the town of Petersburg when Peter Buschmann arrived in 1897 to start a cannery. The Petersburg Indian Association is an entity formed under the Indian Reorganization Act and recognized by the U.S. Department of the Interior. The total population of Petersburg in 1985 was 3,145. There are 224 Alaska Natives enrolled under the provisions of ANCSA at Petersburg.

The Tenakee Springs area was a part of the traditional territory of the Angoon Tlingit, but, later, it was occupied by the Wuckitan clan which probably originated from Auk Village.

That was the opinion of the anthropologist Walter Goldschmidt in his 1946 study done for the Bureau of Indian Affairs (p. 112). Accordingly, his map of the Angoon Territory depicts Tenakee Inlet as the territory of the Wuckitan People, which was separate from any existing village. The area later attracted white residents on account of its hot springs and the construction of a cannery in 1916. Tenakee was patented as a Native townsite in 1923. The total population of Tenakee Springs in 1985 was 142. There are 73 Alaska Natives enrolled under the provisions of ANCSA at Tenakee Springs.

The Wrangell area is a part of the traditional territory of the Stikine Tlingit. Walter Goldschmidt described that territory in his 1946 report as "a very large one." (p. 123) It extended across the many islands in the Wrangell area into present British Columbia. The Wrangell Cooperative Association is an entity formed under the Indian Reorganization Act and recognized by the U.S. Department of the Interior. The total population of Wrangell in 1985 was 2,387. There are 370 Alaska Natives enrolled under the provisions of ANCSA at Wrangell.

The objective of the coalition is to acquire a land base for each Alaska Native community under an amendment to ANCSA.

These five communities of Alaska Natives did not receive land under the provisions of ANCSA because of restrictive entitlement provisions in ANCSA which controlled the eligibility procedure. They were not listed villages under section 16 of ANCSA, nor were they listed as urban corporations under section 14 (h) (3). Further, they could not qualify as Native groups under section 14 (h) (2) because the definition of group in section 3 (d) required that the group comprise a majority of the residents of the locality, and each Native community is a minority in the overall white community.

The coalition believes that Congress should rectify the inequity of village eligibility in ANCSA, and that it is not too late to act in this case. The problem is peculiar to these Native communities in Southeast Alaska, and should not prompt requests for similar consideration from other Native communities in other regions. The final Congressional action in this matter was contrary to the position of the Alaska Federation of Natives, which in section 11 (f) of S. 835 and H.R. 7211, 92d Congress, 1st Session (1971) included the communities of Haines, Ketchikan, Petersburg, and Wrangell as listed villages. There is no specific discussion in the legislative record on the deletion of these villages from their listed status, but the committee reports indicate the preference of some members of Congress to sacrifice American Indian interests to National Forest interests. See Senate Report No. 405, 92d Congress, 1st Session, page 160 discussion of Section 23, Tlingit-Haida Settlement: "The Southeast region requires special treatment for a number of reasons. First, the Villages in this area are located in the Chugach and Tongass National Forests and special treatment is required to prevent conflict between the purposes for which lands are granted by this Act and the purposes for which these National Forests were established...."

2. Why should Congress deal with this matter in the Tongass Timber Reform Act?

The timber problem which Congress is addressing now in The Tongass Timber Reform Act began with a Congressional resolution in 1947 which authorized the sale of timber from the Tongass Forest to the pulp industry despite the objection of Tlingit and Haida under the leadership of the Alaska Native Brotherhood. The Tee-Hit-Ton, a Tlingit clan from the Wrangell area represented by the Tlingit attorney, William Paul, Sr., sued the United States for the confiscation of clan property. In one of the most unfortunate decisions of American Indian law, the U.S. Supreme Court held in Tee-Hit-Ton Indians v. United States, 358 U.S. 272 (1955) that there was no Fifth Amendment taking of Indian property because Congress had plenary authority to take any action it deemed appropriate because it had not recognized Indian title in this case. It was on account of the Tee-Hit-Ton case that Congress was free to take any action it wished in the ANCSA settlement. It is certainly ironic that the Tee-Hit-Ton received no land under the ANCSA settlement because they were enrolled at Wrangell.

It is not too late in the day for Congress to deal with the problem of the five Native communities. In ANCSA, Congress indicated that it expected to resolve whatever problems developed under ANCSA until 1991. last year, Congress passed the so-called "1991" amendments, but that did not prevent Congress from passing another amendment to ANCSA several months later to resolve certain problems relating to submerged lands. There have been at least twelve amendments to ANCSA to date. The five communities are bringing this matter to the attention of Congress at this time because it has taken that long for the communities to appreciate the significance of the loss of all of their traditional lands.

3. What does the coalition want from Congress?

The coalition intends to present to the appropriate committees in Congress as soon as practicable a draft amendment to ANCSA which will set out the language necessary to convey a land base to the five communities. Counsel has only recently presented to us various options, and it is necessary for the coalition to select that option which we believe will be satisfactory not only to us but also other interested parties.

The reason for the testimony today is to give you notice that representatives of the coalition will be contacting you in the very near future with suggested amendments to ANCSA.

Senator WIRTH. Mr. Hammond.

## STATEMENT OF AUSTIN HAMMOND, CHILDREN'S CULTURE CAMP

Mr. HAMMOND. My name is Austin Hammond from Haines and in Tlingit they call me Chief of the Walks. I head a children's culture camp; I am working with the children.

I would like to see all the loggers stay away from Chilkoot, because that is where the fish spawn, all the sockeye, in the lake. If you clearcut I know it will end. I try to do all I can for my grandchildren. They need someone to do something for them.

I have been trying to talk to them for five years now, and they told me they are going to cut the trees down. And I told them, "No, you have got to keep away from it, 300 feet from the lake when the fish spawn." After that they asked me, "What about way up there?" I told them no. I know what was going to happen if they do cut from way up they are going to keep cutting it down to the lake again. In the winter time, they have to come down to shelter, the deer. They come down to the shelter in the winter time, and where the grass is still green and they eat it. Now, when you do clearcut, you will have nothing left in Chilkoot for the brown bears that are up there. I told them the brown bear is going to come close to us if they do not watch, and the brown bear is going to walk around our houses. It happens, it comes around.

Thank you.

Senator WIRTH. Mr. Hammond, thank you.

To all on the panel, we thank you.

Senator Murkowski?

Senator MURKOWSKI. Thank you, Mr. Chairman. My first comment is to Mr. Bremner of the Alaska ANB. Now, is it your wish that no further Forest Service sales be put up in Yakutat?

Mr. BREMNER. Senator Murkowski, we see on the map there is a Tongass Land Management Plan there, that acreage of 232,952 acres is beyond the Dangerous River Bridge to the Alsat River. Northwest of that, there are Forest Service lands, and I believe some of it is available for sale. What we are trying to prevent is the land that is beyond the Dangerous River Bridge.

Senator MURKOWSKI. Is that Forest Service land? Do you want all Forest Service sales in that area cancelled?

Mr. BREMNER. Beyond the Dangerous River Bridge. There are Forest Service lands that have been cut over, and it is already up for sale.

Senator MURKOWSKI. I will ask the witness to identify for the record the specific areas that he is talking about. Identify what the ANB/ANS camps do not want cut up for sale.

Mr. BREMNER. Senator, I have the map that we speak of here and it is right on the public document, the Tongass National Land Management Plan map, and we have that available here, but I did not make copies.

Senator MURKOWSKI. Well, we can get that. Do you know offhand the acreage that would be eliminated from proposed Forest Service sales by your recommendation?

Mr. BREMNER. It is 239,962.

Senator **Wirth**. That is acreage that would be removed from any sale?

Mr. **Bremner**. Not all of it is commercial forest land.

Senator **Murkowski**. What I am trying to get is a specific. How much proposed commercial Federal Forest Service sales would you want not put up for sale?

Mr. **Bremner**. For the record, 239,962.

Senator **Murkowski**. How many do you want put up for sale of the remaining?

Mr. **Bremner**. I do not know what the exact amount is to the north; I do not know west. I do not know what that volume is.

Senator **Murkowski**. It is greater or less than the 232?

Mr. **Bremner**. It is less than 232,000.

Senator **Murkowski**. Thank you.

If I can briefly go to Ms. Hanlon. In your testimony, which I read and I think it is very well done, you indicated your concern about the effect of floating logs on the fisherman at Hoonah and I can assure you that it is not the intent of the government to destroy the life styles of people at Hoonah. I have been over there several times. I am familiar with some of the road systems. I know the concern of the floating logs. It is my understanding that the Hoonah Native Corporation owns about 23,000 acres of land near the Hoonah Village. Do you know how much of that has been logged?

Ms. **Hanlon**. The [unintelligible] is completely cut and Sealaska has seven more cuts to go. If you look on your map that you have there, you are going to see that the percentage of the corporation land versus the Tongass National Forest is a very small percentage.

Senator **Murkowski**. That is correct, but is the area immediately near the Hoonah area going to get logged up? I was under the impression that you had not quite lost all of the timber, but evidently you have now. I was told that there were about 18,000 acres that had been logged but not all of it.

Ms. **Hanlon**. When the total is done.

Senator **Murkowski**. I think much of your statement refers to concerns applicable to both Forest Service sales as well as private sales, because you are rafting out of Hoonah, towing to Wrangell; and that is a mixture of, obviously, Forest Service logs and your own logs. I think we should have the record reflect that your concern is primarily with Forest Service sales and not your own sales from your own private land.

Ms. **Hanlon**. The reality is that there is already destruction, and with Forest Service's EIS and others', it is included in the impact.

Senator **Murkowski**. My point is you have control over what you do with your own lands, if you want to log them, and Hoonah native people do?

Ms. **Hanlon**. I oppose the native logging, too.

Senator **Murkowski**. Well, sometimes I am on the losing end, and this seems to be one of them.

Let me go on and I will be very brief. I thought the testimony by Mr. Carlton Smith, representing the landless areas, is really something that should be explored in the Tongass legislation and this is the opportunity to do it. The landless natives of the five areas of Wrangell, Petersburg, Ketchikan, Tenakee and Haines. I will be very honest with you, I have asked—I was not in Congress at the time—asked for an explanation of why they were left out, and I have yet to get an adequate explanation of that. One of the difficulties, of course, is that once we address the issue, the land has to come from somewhere. It either has to come from land that is already designated in timber areas as part of the timber laws on wilderness. We all know we just do not make it anymore. But I assure you that we will address your concerns. There is an awful lot of interest in these communities to try and resolve this matter. So, I commend you for your testimony as well.

I have also checked a little bit with Chief Hammond's statement, and the area that you refer to as endangered and I would certainly support the protection of the Chilkoot River area. This is state forest; it is not Federal forest. It is under the jurisdiction of the State of Alaska. I believe that it has been withdrawn. I will stand corrected on that. My information is that there will be only a 160 allotment to be logged. I would hope that concern can be addressed, because while this is not necessarily a full responsibility of the Congress, inasmuch as we do not own that land, the State of Alaska does, I would hope that is going to be addressed adequately. And we will check on that because we want to give you the assurances that you expressed concern over, Chief, and I wish you well.

My almost last concern is with regard to the statement by Mr. Sparks. The mill in Haines has been up and down for years, I mean, that is your only industry—outside of your seasonal tourism—and they supplied the power for Haines for many years, and now they are trying to start up again. What was it closed for? Several years? It has been up and down, and people tried to get it going so that the economy of the community could be stable and John Schnabel was instrumental in making a veneer mill out of it. Unfortunately that did not work.

Mr. SMITH. It did not seem economically feasible.

Senator MURKOWSKI. How important is it to your economy?

Mr. SMITH. To the economy of Haines? I live in Sitka, sir, I really should not answer that at this point.

Senator MURKOWSKI. My last question pertains to Shee Atika and again I will be brief. Is it a fact, sir, that the people of Angoon, located on Admiralty Island asked for entitlements on Prince of Wales Island south of Chichagof Sound rather than log their own island?

Mr. SMITH. That is correct.

Senator MURKOWSKI. And is it a fact that Shee Atika, which is the Sitka Natives' Corporation here in Sitka, Alaska, were given a selection on Admiralty Island and Kuiu Cove of approximately 23,000 acres?

Mr. SMITH. Yes.

Senator MURKOWSKI. And was there not an attempt made to work out a compromise and move Shee Atika, the Sitka Native corporation, off the island reserve, with the idea of trying to preserve the sanctity of Admiralty because there had been no logging on that island up to now and Congress had put a million acres of the island into wilderness, permanent wilderness?

Mr. SENNA. That is correct, and we appreciate the Senator's effort on our behalf.

Senator MURKOWSKI. I am trying to make a record here, as you can obviously see. Was there not a discussion by Shee Atika of the need to obtain approximately $75 million for its 23,000 acres in Kuiu Cove, and did not they ask the Federal Government to provide that money?

Mr. SMITH. Yes, or the government——

Senator MURKOWSKI. Both of which were impossible to do, unfortunately. I was there when the attempt to research the possibility of getting $75 million in cash from the government was made, and I can assure you the government had deaf ears. So, the other alternative. Was it not a land exchange for part of the value or as the value was proposed for the exchange?

Mr. SENNA. Yes, that is correct.

Senator MURKOWSKI. Was not extensive exploration done on possible land exchanges done by environmentalists and the SEALL group refused to consider an exchange of wilderness land for the Kuiu Cove land?

Mr. MALLOTT. I do not recall the Wilderness land or that particular issue. What we were concerned about was getting or obtaining roughly corporate value, and we would have been more than willing to terminate our interest on Admiralty Island.

Senator MURKOWSKI. And go somewhere else?

Mr. MALLOTT. And go somewhere else for an equivalent value. I want to explain, Senator, that during the period or at that time when we were going through the exchange, Shee Atika was under a great deal of duress because of lawsuits being brought by various interests that were preventing us from logging on Admiralty Island and, a point of fact, Shee Atika was very near the point of bankruptcy. And I think it was the speculation on the part of many that perhaps a land trade really was not necessary in order for Shee Atika to disappear from Admiralty Island. The fact of the matter is that we did persevere, meaning we survived.

Senator MURKOWSKI. In other words, you are almost broke?

Mr. MALLOTT. That is correct.

Senator MURKOWSKI. And I conclude that the difficulty here was not that you were not willing for a land exchange of equal value that had timber resources on it, in the same manner as the Angoon effort was made with Kotzebue, exchanging value for value, getting off of Admiralty and going down to Prince of Wales where there was already logging. If you would have had valuable timberland, you would have given up your 23,000 acres on Kuiu Cove?

Mr. MALLOTT. Yes, that is correct. It was like somebody holding a gun to our heads in the form of terminal lawsuits, so to speak, asking us to trade for a value that was significantly less than the value of the property.

Senator MURKOWSKI. So, basically, the talks broke down when you could not get fair value in exchange on land, and since they do not make land any more, the question of whose land would be given—would it be land that had been set aside for the pulp mill sales, would it be wilderness—that was never resolved. And I always felt that we could have given up some less desirable wilderness in an area not contingent to Admiralty Island to save Admiralty Island from logging. Unfortunately, that did not happen. You had 23,000 acres to log at Kuiu Cove, and how much have you logged so far?

Mr. **Mallott**. A little over 10 percent of it.

Senator **Murkowski**. A little over 10 percent. So, you are going to be on Admiralty Island logging for how much longer?

Mr. **Mallott**. We estimate 13 to 15 years.

Senator **Murkowski**. And that has a little over a million acres set aside in wilderness that had not been previously logged. Thank you very much.

Senator **Wirth**. Thank you. Mr. Burns?

Senator **Burns**. I have no questions, Mr. Chairman.

Senator **Wirth**. Just a few, if I might. I ask you first, Mr. Bremner. We are talking about the areas and the 232,000 acres versus 134,000. The 232 is in legislation that I sponsored, which you referred to in your testimony, and the Southeast Conference has 134,000 acres. Have you discussed the differences in your perspective with them?

Mr. **Bremner**. No, Senator, I was surprised to hear that number myself. Since I am so actively involved in the community, in the politics of the region, I am surprised that nobody——

Senator **Wirth**. I do not want to argue about this. What I want to do is to ask if you would get together with the Southeast Conference and with the Mayor, who testified on a previous panel, and maybe we can get the three of you together and see if we can figure out where the agreement might be. And if you could possibly do that, that would be very helpful.

Mr. **Bremner**. Yes.

Senator **Wirth**. Do you want to add anything else? I do not want to interrupt you.

Mr. **Bremner**. Well, you got me going, Senator, but, no, thank you.

Senator **Wirth**. Thank you very much.

Ms. Hanlon, let me see if I understand your statement in your testimony. Am I correct in that you are saying that the Hoonah have done a lot of timbering on their own land but do not want to do that anymore, is that correct?

Ms. **Hanlon**. No, the land that was allotted was land that was turned over instead. There was a certain amount that was turned over as timberland for harvesting and Hoonah jumped right on it and logged it off immediately, and so it is gone.

Senator **Wirth**. Is that land owned by Hoonah?

Ms. **Hanlon**. Yes, by the Hoonah Corporation.

Senator **Wirth**. When was that timbering done?

Ms. **Hanlon**. It was done about three years ago, maybe four.

Senator **Wirth**. There has been a change now in the Hoonah community?

Ms. **Hanlon**. Oh, yes.

Senator **Wirth**. Tell me about the change. If you had this choice again, do you think that the community would make that decision?

Ms. **Hanlon**. I am sure that——

Senator **Wirth**. They would not make the decision?

Ms. **Hanlon**. It was not the peoples' choice to begin with. It was like section 705.

Senator **Wirth**. Did Hoonah have to timber that land?

Ms. HANLON. We did not make any money, so I do not see why we had to, no.

Senator WIRTH. Why did the community then decide—I am just trying to understand what the dynamics were.

Ms. HANLON. I did not understand the logic. I opposed it right from the beginning, and it seems that it does not matter what we feel as shareholders, because we feel that our fish and game is important and it is not viable.

Senator WIRTH. Who makes the decision then? Is there somebody else that comes in and makes the decision to timber the land?

Ms. HANLON. From what I understand, it was the amount that came to us, there was a certain amount that came as timber area.

Senator WIRTH. It came with a requirement that the land be timbered?

Ms. HANLON. That was always brought out to the shareholders, and that is the way I understood it.

Senator WIRTH. Do any of the others of you know about this?

Ms. HANLON. I do not know.

Senator WIRTH. Any of the other members of the panel?

[No response.]

Senator MURKOWSKI. Well, basically the land was selected by the various native corporations, village corporations, in the settlement, and the village corporations naturally selected the land that they traditionally used. And I know it is very complex, but they were simply given the land. And then they elected from their shareholders a Board of Directors and the Board of Directors were in the usual corporate concept they were elected by the shareholders and it is quite evident that the Board of Directors made the final disposition.

Senator WIRTH. That is fine, I appreciate that, but what I am trying to understand here is—what I am trying to understand here is what kind of a change has occurred.

Ms. HANLON. The basic change we are facing right now is that we have a log dump, I think that is what it is called, a log dump, right in front of Hoonah and we had five major strips right across Hoonah that has been logged out and definitely damaged. This winter, just before we got the snow, we had very severe high rain and high wind, and as a result, everywhere you looked, the ocean was muddy from the runoff.

Senator WIRTH. And when was it generally decided that you do not want to do any more timbering like this?

Ms. HANLON. We cannot afford to lose any more.

Senator WIRTH. Finally, let me, if I might ask you a little bit about this trade, Mr. Senna, we were talking about before. When did this trade—when did you first attempt to do this trade?

Mr. SENNA. I think this was during the 1985 or 1986 time frame, somewhere in there.

Senator WIRTH. And Shee Atika came to somebody. Who did they come to to do a trade for the land you had on Admiralty for other land? Who did you come to?

Mr. SENNA. Well, I do not think it was necessarily Shee Atika going to somebody. I think what we were most interested in doing is having the freedom to develop our land on Admiralty Island and I cannot remember when the process of attempting to do that——

Senator WIRTH. Oh, you have always wanted to develop on Admiralty Island?

Mr. SENNA. Yes, that was our land.

Senator WIRTH. The argument that was being made was that somehow you wanted to trade off Admiralty Island and somebody constrained you from doing that. That has never been your intent?

Mr. SENNA. I think it was a consensus of people that this would be a solution to a lot of problems, if we would be agreeable to trade off Admiralty.

Senator WIRTH. Why did you not trade?

Mr. SENNA. Because we did not receive the terms that were anywhere near what——

Senator WIRTH. From whom?

Mr. SENNA. From the legislation. As I say, there was no legislation enacted. It was in the final stages of the negotiations that the amounts were finally proposed, and they fell far short of what we needed to get.

Senator WIRTH. By whom?

Mr. SENNA. Not by us.

Senator MURKOWSKI. Well, it just was not there. I can tell you, if you want.

Senator WIRTH. Well, I am just curious. The witness has said that they did not really want to trade timber on Admiralty but now he is saying, well, there was some legislation that was not adequate. And I am just asking for the record whose legislation was it and why was it not adequate so that you could trade?

Mr. SENNA. It was not adequate because it only represented a fraction of the value of our property on Admiralty Island.

Senator WIRTH. Whose legislation and why was that?

Mr. SENNA. Maybe the Senator can help me out. I do not know exactly whose.

Senator MURKOWSKI. Well, the difficulty is he was not running the Shee Atika Corporation back then. My memory just goes back to the mid 1980s. First of all, you have to understand that for reasons unknown to me, Congress designated the selection for Shee Atika on Admiralty Island. The will of Congress is something that sometimes you and I find bewildering.

Senator WIRTH. So, they had the land on Admiralty Island. Either they wanted the timber on Admiralty or they wanted to trade.

Senator MURKOWSKI. Just a minute. They were tied up in lawsuits, as they proposed their logging program and their roading program and, as the Shee Atika gentleman said, these lawsuits extended to a point in time where they almost broke their corporation. However, attempts were being made, and I was one of them and Don Young was another, to try and work an exchange.

And it took the cooperation of all parties. Now, all parties, not just the parties that had land. That means the Forest Service. That means the native corporations that have their own land, and that means the Federal Government, that had the control of the other land with its various classification of wilderness or those areas that were withdrawn pending TLMP.

Now, we urged those parties to get together and come up with a resolution we could present before the necessary committee and get the exchange accomplished, because it was the concern of many of us that it was an opportunity to save Admiralty. His obligation is to the shareholders of Shee Atika, first of all, not necessarily Congress.

It was a very, very important situation all the way around and, you know, you could point fingers at everybody and everything and it was the inability of the parties to get together and give up some land for the exchange.

Senator **Wirth**. Well, I am just curious as to why there was not legislation?

Senator **Murkowski**. They could not get together.

Senator **Wirth**. Why was not legislation introduced to allow the land exchange to occur and who could not get together?

Senator **Murkowski**. Well, the negotiations involved Mo Udall, the Alaska Congressional Delegation, the Forest Service, Sealaska, Shee Atika, Environmental groups, the Wilderness Society, Sierra Club. Maybe that is why they did not have it.

[General applause.]

Senator **Wirth**. I still do not understand. [Laughter.]

The only people on that list that are legislators are Udall and Seiberling, and I assume there were people from the Senate side introducing legislation as well Where was the land that you all were trying to exchange, Admiralty to something else? Where was the land that you all wanted to exchange for?

Mr. **Senna**. Senator, Shee Atika was perfectly happy with the Admiralty Island property.

Senator **Wirth**. You all wanted the timber all along. The allegation is in May somehow somebody was standing in the way of a reasonable trade. I am just trying to understand what transpired here.

Mr. **Senna**. There were certain public interest groups that wanted Shee Atika out of Admiralty Island.

**Voice**. And I was one of them.

Mr. **Senna**. And we would have been willing. It was not at our initiation. We would have been willing, in order to go along with the public interest, to get off of Admiralty Island if we would have received full value in exchange for our interest on Admiralty Island.

Senator **Wirth**. You wanted to trade your interest on Admiralty Island for wilderness land, is that right?

Mr. **Senna**. I did not care—we did not care whether it was wilderness or any other kind of land. We wanted equal value.

Senator **Murkowski**. They wanted to do what Kotzebue was able to do, Mr. Chairman.

Senator **Wirth**. You could not pull it off?

Senator **Murkowski**. I just told you why. They wanted to do what Kutzebue was able to do. All the parties were there and I tried to pull it off.

Senator **Wirth**. And it did not happen?

Senator **Murkowski**. It sure did not and I just read you the list why.

Senator **Wirth**. Well, I heard there were various unelected parties who were involved, and where there are some unelected parties, is that the reason why this trade did not occur?

**Senator MURKOWSKI.** I do not know where, when the final decision came down that went into the final offer to Shee Atika, came from, whether it came from unelected parties or elected parties.

**Senator WIRTH.** It sounds to me like the great opportunity got missed to save a lot of land, is that right?

**Mr. SENNA.** If they had offered an adequate exchange, we would have been very, very glad to exchange. But the point is the consideration that was offered fell way short of the mark, and in justification to our shareholders, we could not accept such an exchange as was finally offered.

**Senator WIRTH.** And the argument is made that that offer was very low because the people making that offer thought you all were desperate enough that you would have to accept that offer, is that correct?

**Mr. SENNA.** I am speculating that that is the way that they were viewing the situation.

**Senator WIRTH.** And "they" being whom?

**Mr. SENNA.** Now, I think the primary driving force was the environmental groups.

**Senator WIRTH.** The environmental groups did not own any of this land. They cannot make an offer, can they? The Forest Service and the U.S. Government are the only people that own the land. Did the U.S. Government make an offer to you that fell far short?

**Mr. SENNA.** Yes, in the final proposal it did fall short.

**Senator WIRTH.** It was the Forest Service offer that fell short, is that right?

**Mr. SENNA.** Well, I do not think it was the Forest Service.

**Senator WIRTH.** Who else can make an offer?

**Mr. SENNA.** Well, it was proposed in the act of Congress.

**Senator MURKOWSKI.** Mr. Chairman, I would assume we have got a feel for it as a consequence of the hearing yesterday and today. There is no excess land that somebody does not have a classification on for the Tongass. That is the difficulty. You can go designate land for an exchange, but it is somebody else's land, either the Forest Service's which is already in a sale or proposed to be in a sale, or it is a wilderness or a designated area of non timber cutting. There is simply no land.

So, what you have to do is you have to get the parties together for an exchange. Now, the land that was proposed in sale, obviously there is an objection to that land going into the trade because what are they getting in return? They are giving up. Trade implies give and take, and we could not identify among the interested parties a reasonable give and take. That was unfortunate. We could not get the Federal money to just buy their position out. It was not possible, and they knew it. And we tried, Don Young and I both tried. There was an effort to try and get the Forest Service to give up land, but that land was in sales or proposed sales. So, it was objected to by various industry groups.

What we had hoped to do was try and identify value for value. We wanted to put this in wilderness with the rest of the million acres on Admiralty Island, and it just makes good sense, Mr. Chairman, to take another area of wilderness contingent to Admiralty that was less desirable, because all wilderness areas have a priority. To take the lowest priority and make an exchange for 23,000 acres, and get out of it. That is what we tried to do.

**Senator Wirth.** Let me ask a final question. Who is "they" getting in return in terms of, say, land that was put out for bid or contracts, as has been suggested, from the Forest Service; why was not this land traded for other land that was going to be timbered and had not been timbered yet?

**Mr. Senna.** It was never offered.

**Senator Murkowski.** For the same reason that people objected to further wilderness withdrawals; it takes away from the timber. You only have so much timber here, and you are exchanging timber land for timber land.

**Senator Wirth.** Because of the long-term commitments to cut timber, is that right?

[Groaning from the crowd.]

**Senator Wirth.** That sounds to me like what we are saying. Because of the long-term commitment to cut timber elsewhere, there could not be a trade to save the timber on Admiralty; is that right? Anyway, I think this may be a very interesting kind of a case study as to why these long-term commitments ought to be not only reviewed but cancelled because it is precisely these very long-term commitments that are driving a whole variety of other choices, that the long term contracts in some cases may prove to be a bad decision. It sounds to me like one was just made.

Anyway, thank you very much. I appreciate the comments of this panel.

**Senator Murkowski.** I think you have the record and, as I said before, you can say it any way you want to, but I do not believe wilderness designations are not long-term designations. They are long-term designations. If we look at what is basically occurring here, and it is not a concept of not attempting to do the job but, by the same token, why should not the departmental community support a high priority, which is maintaining the sanctity of Admiralty by giving it up and, in exchange, a position on other wilderness that is not contingent to Admiralty.

Now, that is the other side of the issue. You can interpret it your way by saying that the problem is, in your term, sales, and I can say it the other way. Let us take less priority wilderness, do the exchange, because the highest value is the sanctity of Admiralty, and that is where we failed.

**Senator Wirth.** I guess the problem—I guess I do not understand, I did not know the environmentalists had been elected to public office.

**Senator Murkowski.** If you do not know by now, I guess you never will.

[Applause.]

**Senator Wirth.** Well, I thought there was an elective process, and people got the benefit of an election.

**Senator Murkowski.** Wherever we come from, one will be classified in one general term and the other in another. You have to wear those badges.

**Senator Wirth.** Thank you all very much. I appreciate your being with us. Thanks ever so much.

Our fourth panel, Mr. Harold Thompson, the president of Sitka Sound Seafoods; Mr. Gordon Williams, from the Alaska Trollers; Mr. Sig Mathisen, the president of Petersburg Vessel Owners; Mr. Peter Esquiro, NSE Aquaculture Association; and Mr. Phil Wyman, the chairman of Sitka Fish & Game Advisory Committee.

The next panel might be prepared to be on deck: Mr. Tonkin, Mr. Ward, Mr. Cronk, and Mr. Leghorn.

Thank you very much for being here. You know the rules of the committee. We will include your statements in full in the record, and each of you is aware of the time constraints under which we are operating.

Mr. Thompson, why do not we start with you and just run right down the line.

Thank you very much.

## STATEMENT OF HAROLD K. THOMPSON, PRESIDENT, SITKA SOUND SEAFOODS, INC.

Mr. Thompson. Thank you, Mr. Chairman, Senators Murkowski and Burns.

My name is Harold Thompson, the president of Sitka Sound Seafoods, a fresh and frozen fish processor and marketer. We are one of the major employers in Sitka and Yakutat, employing a peak of about 300 persons and an average of about 100 on a year-around basis. I am a third generation fish processor, having been raised in the timber/fishing town of Petersburg, where my father and my grandfather bought and sold fish and where my father also had an interest in a local sawmill. With that background, I feel that I can comment fairly objectively on the proposed legislation.

As a businessman and member of the Sitka community, I can appreciate the impact that Tongass reform legislation could have on our community, affecting the jobs and security of many friends and neighbors. I want to see responsible timber harvest continue in order to support one of our most important basic industries. Operating a fish processing facility Sitka would be made significantly more difficult without the support of our economy by the mill, mainly as the consequence of higher electrical rates and loss of combination timber/fishing related support businesses.

Having said that, I do not support business as usual any more than I can support legislation that would cripple the timber industry. I urge you to reach a middle ground that protects the interests of all the users of the Tongass, such as the position expressed by the Southeast Conference.

My particular concern is that fish and wildlife habitat are protected as best possible. Major untouched habitat areas, as identified in the Southeast Conference proposal, such as the Yakutat Forelands, Lisianski Valley, Upper Hoonah Sound, Kadashan and Berners Bay, should be set aside for complete protection.

Our extremely poor fish returns of the last couple of years and the wildly fluctuating returns during the last 30 years can be blamed on a multitude of factors including high seas interception, over-fishing, poor climactic conditions and adverse oceanographic conditions, to name some. Logging cannot be blamed for all of our problems, but it is increasingly clear that there have been some impacts due to poor logging practices. It is not clear exactly which practices are harmful under what circumstances. My feeling is that the areas that are proposed for protection are too valuable and fragile to risk logging within them.

This type of compromise that makes neither side completely happy seems to me to be the only reasonable solution. We can have jobs in the timber industry and still protect the interests of other users.

Thank you.

Senator WIRTH. Thank you very much, Mr. Thompson.

Mr. Williams, would you follow on, please?

## STATEMENT OF GORDON WILLIAMS, ALASKA TROLLERS ASSOCIATION

Mr. WILLIAMS. Thank you Senator and staff.

My name is Gordon Williams. I am a life long resident of Southeast Alaska. I have lived here for my 38 years. I am a commercial fisherman and a subsistence sport and recreational user of the Tongass.

I am here today on behalf of the Alaska Trollers Association, a major fishermen's group of Southeast Alaska. We have a history of concern for these issues because the majority of the spawning river habitat for salmon is on the Tongass.

We ask for a meaningful reform out of a genuine concern for the effects of our industry in the current Tongass timber program. A key word in the discussions of effects of clear-cut logging on fish is the word "cumulative." While there have been some obvious impacts, it is the accumulation of the smaller, more subtle effects that will have the greatest long-term impact on our industry.

Actions to protect the environment are often knee jerk reactions to catastrophic events. There is no Exxon Valdez ground in the Tongass but the long-term effects of habitat liquidation here on our salmon resources have the potential to be just as dramatic.

Old growth forest provides a crucial balanced habitat for salmon for their spawning and rearing. It provides a canopy for the temperature in streams. It provides a ground cover to control erosion and flooding. It provides the proper nutrients for large wooded debris that controls streams. Second growth forest does not provide this crucial balance. Research shows that in one stage or another, the second-growth process, there may be benefits to fish, but these are usually more than offset by the negatives of the succeeding stage of the second growth.

Also, during the second growth period, areas are often more vulnerable to weather-induced events. Weather is very cyclical in Southeast Alaska. The past two years have shown a return to harsher conditions, which point out problems to habitat and fish. We had a drought two summers ago that caused problems. The largest of those problems was seen in areas that had had intensive logging in the past. Heavy rains last fall resulted in many, many landslides, and they were usually in or adjacent to intensively logged areas.

We just finished a very cold winter, and it is too early to assess the damage. We expect there will be damage from this winter and the worst of those will probably be areas where the habitat has been altered so that we cannot effectively mitigate such temperature extremes. Thus, cumulative impacts will continue to grow.

We continue to participate in local Forest Service planning and we have become convinced that, without some changes, that process is not a level playing field.

We ask for a package of things on the Tongass. Among those are, one, we would like the multiple-use status areas mentioned in several of the bills and, two, we also want you to realize that there are over 3,000 streams on the Tongass and a wide percentage of those are outside the areas that would be protected. They must have greater protection.

If the 4.5 is maintained, areas will receive more intensive logging.

The Marine Fisheries Service's management policy for Alaska, we feel that ways should be found to implement this policy on the Tongass.

I thank you for this opportunity to speak before you.

Senator WIRTH. Thank you very much.

[The prepared statement of Mr. Williams follows:]

# CONGRESSIONAL HEARING ON THE TONGASS NATIONAL FOREST
SITKA, ALASKA APRIL 25, 1989

TESTIMONY OF:
GORDON J. WILLIAMS
BOX 7, ANGOON, ALASKA 99820

REPRESENTING THE ALASKA TROLLERS ASSOCIATION

Senators, staff members: My name is Gordon Williams. I am a third generation resident of southeast Alaska, having lived here for all of my 38 years. I am a commercial fisherman, and a sport, subsistence, and recreational user of the Tongass Forest and its resources. I am here today on behalf of the Alaska Trollers Association (ATA), a major fishermen's organization here in southeast which represents commercial salmon trollers. ATA has a history of concern with Tongass management because this forest provides the vast majority of the spawning and rearing areas for the salmon species upon which we depend. We continue to ask for meaningful Tongass reform not out of spite for another industry in southeast Alaska, but out of genuine belief that the long term detrimental effects of current Tongass management will severely impact our industry.

The key word in the discussion of the effects of large scale clearcut logging on our fisheries resources is the word "cumulative." While there have been some rather large obvious impacts, it is the accumulation of the multitude of smaller more subtle effects of habitat alteration that will have the greatest negative impacts on fisheries resources. Actions with regard to protecting the environment are too often knee-jerk reactions to catastrophic events. There is no "Exxon-Valdez" aground in the Tongass, but without changes in direction, we in Southeast Alaska may face habitat degradation which will have comparable long term effects on our salmon resources. It's just happening at a slower pace.

The old growth forest provides for successful salmon spawning and rearing in many, many ways. Among these are a canopy for protection against temperature extremes, good ground cover to control erosion and protect against flooding, provision of nutrients to the streams, and provision of large woody debris in streams at a natural rate to control stream flows and provide spawning areas. Old growth forest habitat provides the crucial combination of these elements that will sustain healthy levels of salmon production and survival.

Second growth forests do not provide this balance. Research shows that while at one stage or another of the second growth process productivity might actually be increased, it is usually a rather short term gain which is soon more that offset by the negative impacts of succeding stages.

Additionally, the clearcut areas and associated road systems greatly increase the chance of habitat degradation due to weather-induced events.

The weather patterns in southeast Alaska are cyclical. While we have just experienced a decade of rather mild weather, the last two years have again begun to expose us to more extremes. Thus while favorable weather conditions have combined with a number of other factors to give us some record fish returns during the past decade, the last two years are demonstrating that a return to a harsher weather pattern is detrimental to fish habitat. This is especially true in areas where extensive logging activity has left the streams vulnerable. Drought conditions two summers ago saw some major impacts on fish resources in intensively logged areas. Heavy rains last fall caused numerous land slides, a majority of which were in or adjacent to logged areas. It is reasonable to expect that the severely cold winter that we have just completed will result in negative impact on salmon survival rates, and again, it will likely be most serious in areas where nature's ability to mitigate the conditions has been altered. The cumulative impacts of events such as these are going to harm our fish stocks and our industry.

What we seek in Tongass reform is a more balanced view of multiple use management of our forest. The constraints of language mandating 4.5 billion board feet of timber per decade, and some of the provisions of outdated 50 year contracts, do not allow for this to happen.

Fishermen continue to be active participants in Forest Service planning in our region, but we have come to realize that we cannot get the protections and assurances we need without Congressional action. Quite frankly, Congress played a big role in getting us into this predicament on the Tongass. Now we need your help to get out of it.

A package of things is required for reform on the Tongass. There are numerous watersheds and related areas within the Tongass whose obvious multiple values are so high that they need permanent protection from intensive logging practices. The areas spelled out in Senate Bill 346 for special consideration are such areas, and we would recommend that Congress give them a LUD II status.

However, of the more than 3,000 streams in southeast currently catalogued as fish streams, a large percentage fall outside of the areas that are currently protected, or would be protected under this bill. A continued mandate of 4.5 billion board feet per decade will severely impact habitat in these areas of the Tongass. We urge the removal of harvest goal language, and urge the utilization of mandatory buffer strips along streams in areas being intensively logged. The National Marine Fisheries Service has developed a streamside management policy that research indicates should be implemented in the Tongass. We ask that a method be found for implementating this policy.

Successful multiple use management and stewardship of the Tongass requires substantial funding. However, recent spending has been skewed too much toward timber harvest activities. It is important that funds be allocated in a more balanced manner throughout the Tongass, with increased recognition and support for the other user groups. Congress needs to adequately fund the Tongass, and provide guidance for the proper allocation of expenditures.

In summary, we feel very strongly that significnt changes need to be made to the Tongass timber program. Removing the barriers that hamper long term multiple use planning for our forest will ultimately benefit all aspects of our diversifying economy in Southeast. Again, we do not have a vendetta against the pulp industry. We work hard in numerous forums to assure that the salmon resources we depend on are not adversely impacted, on state, federal, and private lands. We believe that it is possible to achieve a viable and sustainable timber industry which provides jobs and community stability WITHOUT jeopardizing the future of the fishing industry. We welcome the opportunity to work with others who share that goal.

Thank you for taking the time from your very busy schedules to come to Alaska to talk with people who live in the Tongass about this very important issue.

Senator Wirth. Mr. Mathisen.

## STATEMENT OF SIGURD MATHISEN, PETERSBURG VESSEL OWNERS ASSOCIATION

Mr. Mathisen. My name is Sigurd Mathisen. I am a third-generation resident of Petersburg. All my life has been spent in the waters of Southeast Alaska. I am very aware of the fisherman's need to steward his resource and to protect the fragile natural salmon incubator that is the Tongass National Forest.

I represent the Petersburg Vessel Owners Association, a fishing organization involved with the Tongass and impacts of logging in sensitive salmon spawning drainages since before statehood.

Petersburg Vessel Owners Association supports Senator Wirth's Tongass Timber Reform Bill. We support dropping the 450 MBF requirement. We support redirecting the $40 million Timber Supply Fund, and eliminating the 50-year contracts.

We would like to see permanent protection for the important sensitive salmon spawning drainages that are included in the bill, such as the Kadashan, Lisianski, Nutkwa and Chuck Rivers—vital systems that should never be logged. The present language fails to do that.

I will use one prime example to convey our concerns and our willingness to support this legislation. The Chuck River drainage in Windham Bay has been over time one of the largest producers of salmon in Southeast. It has steep slopes and very unstable soil. It had a natural landslide in 1974 that nearly wiped out the salmon run, and it took 10 years to rebuild, with record returns by 1985. Yet, in 1985, the Forest Service began laying out timber sales and planning to pre-road from 4 to 7 miles along the Chuck River even though their environmental assessment said it was unstable and could cause a landslide.

We objected. We could not possibly fathom why a deficit timber sale should warrant creating the potential of a landslide that would destroy the river. Their answer was the 450 mandated timber requirement was forcing them into these sensitive drainages, and not only that, they had to pre-road to justify and maintain their timber supply fund.

Even with emphatic opposition to this sale at hearings in Petersburg, they were going to go right on ahead with it. The only thing that has held them back has been the State's Department of Environmental Conservation's decision on water quality, and that did not stop it entirely. The Forest Service then spent $2 million on a road share with Goldbelt Native Corporation that would access both this sale and Goldbelt land in the upper reaches of the Chuck. This heavy push to provide timber, no matter what the cost, unfairly pits loggers versus fishermen.

I am not opposed to logging, nor am I opposed to pulp mills. I think renewable resources like fish and timber should be strongly fostered in Alaska because they will carry us through on the long term. We are revising Alaska's Forest Practices Act with fishermen, loggers and conservationists represented and compromising on solutions.

I think the Tongass Reform Bill likewise will be a positive force for cooperation in the future.

Thank you for the opportunity to testify.

Senator **Wirth**. Thank you very much, Mr. Mathison. I am trying to identify Windham Bay on the map.

Mr. Esquiro.

## STATEMENT OF PETER ESQUIRO, NORTHERN SOUTHEAST REGIONAL AQUACULTURE ASSOCIATION, INC.

Mr. **Esquiro**. Mr. Chairman, Senator Murkowski, and Senator Burns. I am Peter Esquiro and thank you very much for the opportunity to appear before you.

I am a native Alaskan, born in Ketchikan. I have spent most of my life, with the exception of a few years to go to school, here in Alaska. I am currently Regional Manager of the Northern Southeast Regional Aquaculture Association, which is based here in Sitka.

The Northern Southeast Regional Aquaculture Association is a non profit regional association established for the purpose of enhancing the salmon populations of Northern Southeast Alaska from the Haines-Skagway area to the south end of Baranof Island. NSRAA was established by the commercial fishermen of Southeast Alaska in response to dwindling salmon stocks and has been continually funded by the fishermen for the 10 years it has been in existence.

Generally, we favor the concept that co-existence is probably best for the Southeast economy. We do, however, support the need to totally protect certain critical fishery production habitat, as well as implementing procedures for establishing buffer zones along streams and around lakes which produce fish. In the 10 years we have been in existence, we have become quite proficient and cost effective in salmon enhancement, but it is doubtful that we will ever come close to Mother Nature. It is my opinion that, if given the chance, Mother Nature will always produce salmon at a lower cost.

The NSRAA currently conducts enhancement projects both in the National Forest as well as in wilderness areas. When lands were withdrawn from the general National Forest here on the Tongass and placed in a wilderness designation, it was agreed that fisheries enhancement would be an allowable activity in those wilderness areas. I would urge that that remain the same no matter what the outcome of this might be.

I would suggest to you that hazards, both natural and man made, have no respect for boundaries, whether they be wilderness areas or Tongass and our services could be helpful to either area.

Being mostly a group of scientists in our organization, we feel that we have a very strong respect for nature. Our business is trying to produce life and produce a means for people to make an income and I urge your full consideration.

Senator **Wirth**. Thank you, Mr. Esquiro.

[The prepared statement of Mr. Esquiro follows:]

NORTHERN SOUTHEAST REGIONAL AQUACULTURE ASSOCIATION, INC.
*103 Monastery Street Sitka, Alaska 99835 (907) 747-6850*

The Northern Southeast Regional Aquaculture Association is a non-profit regional association established for the purpose of enhancing the salmon populations of Northern Southeast Alaska from the Haines-Skagway area to the south end of Baranof Island. NSRAA was established by the commercial fishermen of Southeast Alaska in response to dwindling salmon stocks and has been continually funded by the fishermen for the ten (10) years it has been in existence.

Generally, we favor the concept that co-existence is probably best for the southeastern economy. We do, however, support the need to totally protect certain critical fishery production habitat, as well as implementing procedures for establishing buffer zones along streams and around lakes which produce fish. In the ten years we have been in existence, we have become quite proficient and cost effective in salmon enhancement, but it is doubtful that we'll ever come close to mother nature. It is my opinion that if given the chance, mother nature will always produce salmon at a lower cost.

NSRAA currently conducts enhancement projects both in the National Forest as well as in wilderness areas. When lands were withdrawn from the general National Forest here on the Tongass and placed in a wilderness designation, it was agreed that fisheries enhancement would be an allowable activity in those wilderness areas. Over the years we have discovered that proponents of wilderness areas are trying to say that "fisheries enhancement may be allowed in wilderness areas if it can be proven that we looked at all other non-wilderness areas for comparable opportunities." Having to go out to do additional survey and site evaluation work is extremely expensive and can be very time consuming. We should not have to be burdened with these additional costs. Those additional costs could very well tip the scale on a close economic cost/benefit analysis. If consideration is given to more wilderness areas it should be made very clear that salmon enhancement is allowable - period. If this were not the case, I would oppose further wilderness designations.

Hatcheries and other enhancement activities can be constructed and operated in a manner which is unobtrusive to forest and/or wilderness values. The Hidden Falls hatchery operated by our organization is an 80 million egg hatchery capable of producing on the order of 1.8 million adult chum salmon with a total ex-vessel value of approximately 10-12 million dollars annually. Hidden Falls Hatchery can barely be seen from the water where transiting Chatham Straits.

In summary, it appears to me that a compromise needs to be struck which recognizes the need to: 1) protect fish producing habitat, 2) continue to allow for fishery enhancement both in wilderness areas and the National Forest in general, 3) permanently setting aside certain critical fish producing areas while still providing a fair opportunity to the timber industry to operate. As I stated early in my presentation co-existence is probably the best thing for the Southeast Alaskan economy.

It would be very difficult to write a letter or sign a check printed on the side of a salmon, yet it would be even more difficult to survive on a steady diet of wood pulp. I believe that with some modifications to the present program we can insure the continued existence and good health of all segments of the Southeast Alaskan economy.

Senator **Wirth**. Now, Mr. Wyman, the last member of this panel.

## STATEMENT OF PHIL WYMAN, CHAIRMAN, SITKA FISH AND GAME ADVISORY PANEL

Mr. **Wyman**. Thank you, Mr. Chairman, Senator Burns and Senator Murkowski.

My name is Phil Wyman. I am Chairman of the Sitka Fish and Game Advisory Committee and as Chairman of that Committee I participate on the Southeast Alaska Regional Fish and Game Council. I am here today on behalf of the Council to read into the record their recommendations regarding the Tongass National Forest.

First of all, I would like to express our appreciation for the opportunity to testify before you.

The Southeast Alaska Regional Fish and Game Council is composed of 21 local state fish and game advisory committees as established by Title VIII of ANILCA to advise and recommend management of fish and wildlife resources. The Southeast Regional Council is presently in session in Anchorage and has drafted this testimony for presentation. The Council unanimously recommends the following actions.

One: The 450 million board foot annual timber harvest should not be mandated. The mandated figure causes management to compromise true multiple use goals, such as fish and wildlife values, subsistence, recreational and other resource uses. The Forest Service should make the annual cut reflect a combination of true industry needs, a comprehensive mix of market demand, environmental and other resource protection concerns. We recommend the Forest Service be directed to provide permanent habitat protection to sustain and enhance the present populations of fish and wildlife.

Two: The 50-year timber contracts should be renegotiated to reflect environmental concerns, updated silvaculture information, mitigation for resources impacted by the timber harvest, and local economic needs.

Three: The $40 million Tongass timber supply fund should be appropriated for multiple-use planning, which includes funding for fisheries, habitat rehabilitation, recreational activities, fisheries enhancement, and pre-commercial thinning of second growth timber.

Four: The Southeast Regional Council is not convinced wilderness designation is the best method of protecting high value recreation, fish, and wildlife habitats from logging. We favor legislated LUD II designation for the 23 acres currently listed in legislation.

Thank you very much for coming to Southeast Alaska to hear our concerns. Our Regional Council and the individual advisory committees that comprise it stand ready to provide more information and assistance to you as you deliberate this matter.

Senator **Wirth**. I thank you very much.

Senator **Murkowski**. Well, let me also include in the record at this point that there is also testimony from Eric Jordan. We might ask you to give us his view as well on these issues.

[The prepared statements follow:]

Honorable Senator Tim Wirth
United States Senate
Washington, D.C 20510

Dear Senator Wirth,

The Sitka Fish and Game Advisory Committee is made up of a 17-member body elected by the public to represent a cross-section of fish and game users in the Sitka area. The primary responsibility of the Committee is to advise the Alaska Department of Fish and Game on regulations to conserve and enhance fish and game resources. It became obvious to the Committee several years ago that adequate protection of fish and game necessitated working with the United States Forest Service, to comment on timber harvest plans in an effort to modify these plans in the interest of wildlife, and associated subsistence, commercial, and recreational opportunities. (Attachment.)

We have studied the present issues and proposed legislation and have a five-point comment.

1. Wilderness -
   We are in favor of protecting several areas in our area of jurisdiction, such as Deep Bay, Finger Creek, Lisianski River, and the head of Hoonah Sound from logging and log dumps to protect fish and wildlife habitat. However, we are not convinced Wilderness designation should be the only method of protecting high-value recreation and wildlife areas from logging.

2. $40 million annual appropriation -
   We propose future annual appropriations be redirected to multiple resource mitigation and enhancement, such as habitat improvement in streams adversely affected by past logging (ie., Rodman Bay and Katlian River), timber stand improvement, fisheries enhancement projects (including hatcheries), subsistence research, and recreation enhancement such as cabins and trails.

3. 50-year contracts -
   We believe the 50-year Timber Contracts should be renegotiated to reflect environmental concerns, updated silvaculture information, mitigation for resources impacted by the timber harvest, and local economic needs.

4. 450 annual timber harvest goal -
   We believe the 450 million board foot annual timber harvest goal should not be a predetermined political figure. We recommend that the Forest Service be directed to redetermine by unbiased land management planning the volume of timber that can be harvested on a sustained-yield basis, which provides permanent habitat protection to sustain and enhance the present populations of fish and wildlife. The annual cut should reflect a comprehensive mix of market demand, industry needs, environmental, and other resource protection concerns. The mandated figure often unduly pressures managers to compromise fish and wildlife values, subsistence, and recreational opportunities to meet "mandates".

(continued)

Page 2.

5. While only 10% of the Tongass may ever be logged under current projections, it often seems that fishermen, hunters, subsistence users, and recreational users all want to use the same 10%. The highest volume timber located in the big creek valleys and the prettiest bays is also the best habitat for fish and wildlife. The controversy over these most economically logged areas has affected our Committee to the point that we have demanded Tongass Timber Reform since 1985. (Attachment). Reform should inlude provisions for formal involvement in Timber and other forest planning activities by Icoal Fish and Game Advisory Committee's and the Alaska Department of Fish and Game habitat, game, and fisheries biologists. Perhaps it is time for the Forest Service to consider community advisory committees made-up of a cross-section of forest users to assist Forest Service timber plans.

In conclusion, we want to state our support for efforts to reform Tongass timber management. While not supporting any particular piece of legislation, we hope our concerns will be incorporated into whatever legislation emerges from the congressional process.

Sincerely,

Phil Wyman

Phil Wyman, Chair
Sitka Fish and Game Advisory Committee

Attachment

Sitka, Ak
July 9,1985

U.S. Forester, Chatham District

Dear Sir,

I am writing on behalf of the Sitka Fish & Game Advisory Committee. The purpose of this letter is to request an extension of the comment period on the proposed 5 year timber harvest plan for the Alaska Pulp Corporation, and communicate the comments we have after the limited amount of study and discussion we have been able to arrange during this time of year. We are hopeful that the Forest Service will take our comments under advisement and contact us about revisions in the harvest plan before the final proposal is developed.

I want to communicate the appreciation of the whole committee for the efforts the Sitka forest service employees have made to work with the committee and explain the complex process of review and comment to us. Our key contact has been Ken Wotring and I would like to commend him for his assistance.

We unanimously voted to ask for an extension in the comment period to December. The reason is not because of the length of the comment period, but because of the timing. Many of our committee members are active in Seasonal occupations which consume nearly all of thier attention during the summer months and which often take them away from Sitka. We feel we could make a more meaningful comment in the fall, winter, or spring.

After a good deal of subcommittee work, study of maps, public and agency comment, and committee discussion we came up with several motions which communicate the concern about the scale and impact on wildlife and subsistence resources under all of the proposed harvest alternatives. We were repeatedly advised by the forest service represenatives that they were mandated by the 50 year contract and ANILCA to offer huge amounts of timber at very low prices wether the company was going to cut the timber or not. After considering the situation we decided that the 50 year contract and the huge timber harvest "mandated" by ANILCA were creating a terrible problem for both the forest service and the wildlife managers in trying to protect fish & wildlife values. We unanimously voted to advise the forest service to renegotiate or cancel the 50 year contracts.

Recognizing the slim possibility of our previous recommendations being adopted we made some specific comments on the timber harvest plans in the Sitka area.

1. We unanimously recommended defferal of any cutting or roading in the Hoonah Sound, Lisianski Inlet areas becouse of the adverse affects on wildlife and subsistence values in these areas.
2. If logging, over our strenuous objections, is still proposed for this area, then we request that the log transfer facility and camp be located in Poison Cove with action proceeding from there in close consultation with ADF&G biologists, and Sitka Advisory Committee members.

It also has become clear after meeting with several ADF&G biologists that there is a great deal of frustration with the working relationship between the field and management biologists of the ADF&G and the Forest Service plan developers. There is a great deal of concern that do to political pressures from above, many of the modifications and measures needed to protect critical wildlife habitat and subsistence values are being ignored or rejected. This is of great concern to this committee. The following motion, while specifically addressing fisheries, reflects our concern for all wildlife values.

We urge the Forest service to maintain or improve fisheries habitat, re--do not relax fish habitat protection. We are concerned that the present plan may relax standards for culverts, identification of fish habitat, & methods for enforcement of protective regulations.

One of the primary functions of the advisory committee system is to assist in the management and protection of subsistence opportunities, harvest, and values. Contrary to the statement in the plan that there will be little affect on subsistence under the proposed and preferred alternatives, we are concerned that effects in particular areas will be substantial. For example:- a camp & dump in Ushk Bay will have significant impacts on opportunities, harvests, and values in that area.

In conclusion, I want to express again our appreciation for the assistance by Ken Wotring and others of the Sitka station. Something must also be said for the quality of the maps and description of the activities. They were great. Of course the easy part is drawing up the alternatives and proposing an action. The difficult part is taking the comments of the diverse groups and incorporating them into a revised final proposal. The Sitka Fish & Game Advisory Committee expects our comments to be seriously considered. The protection of Fish & Wildlfe and associated commercial, recreational, and subsistence values should be a concern second to none.

Sincerely,

Eric Jordan, Chairman
Sitka Fish & Game Advisory Committee

Senator BURNS. Thank you, Mr. Chairman. Sitting here listening, it seems to me this comes up in all of this testimony and it sort of bothers me a little bit, that in every case here you want to drop the 450 million board feet requirement. In that ANILCA legislation, is that a mandated cut? When I say mandated, they are ordered to do it.

Mr. THOMPSON. They have to offer that volume of timber and that is kind of where we got into a hang-up, with the language being interpreted differently.

Senator BURNS. Mandated means you have to cut, but basically the language says that the maximum has to be offered but it does not have to be cut. Every time I come up with all of this and I think in here it says "mandated"—mandated means you have to do it. I do not know how we get hung up on words like this. I am not a lawyer and they have been averaging about 3.7. And yet, in all the testimony, we can find in this thing it is mandated and the mandated part is not mandated. So, I want to clear that for the record, that some of this testimony is not right. I guess it is how you would identify the problem.

I have a couple of questions here. Mr. Thompson, you stated in your testimony or you stated your opinion of the environmental rules and regulations, that addresses environmental concerns for the Forest Service in the logging areas. You think that the Forest Service has not done a good job in enforcing some of those rules?

Mr. THOMPSON. Senator Burns, I am not any means an expert on logging practices, but I did have a chance to listen to the state biologists and listen to the Agriculture Association biologists, and I get the impression that they are not entirely happy with some of the practices that are occurring. Whether it is a violation of rules or there are simply a lack of rules, I do not know.

Senator BURNS. That is what I am getting to. Do we have to change some rules or do we have to have to get high on enforcing it? Anybody can address that.

Mr. THOMPSON. I think Mr. Williams here is more in touch with that, can respond to that.

Mr. WILLIAMS. Well, we feel that some things need to be changed. For one thing, I wanted to put into the record the National Marine Fisheries policies on stream side management and development from their research that came out last year, the 1988 policy. They call for 30-meter buffer strips on the salmon streams in Southeast Alaska and the tributaries. We would like to see that kind of thing incorporated.

There have been problems with both enforcement and interpretation. Unfortunately, a lot of things are left up to interpretation in the Southeast and there are differences in the Forest Service districts even the way things are interpreted.

Getting back to your 4.5, we are not the only ones that interpreted it as a mandate. Unfortunately, the Forest Service kind of took it as a mandate, at least initially, as well and if 4.5 were offered, maybe 3.7 was cut, but there was some being offered at that 450 a month. And that led to some conflicts with fishing by pre-roading and things that our industry is real concerned about.

Senator BURNS. But if you were concerned about it, you can appeal that sale, cannot you?

Mr. WILLIAMS. We have done that, but we really hate to see the thing be in litigation. We are trying to get some things straightened out so that we do not see the fisheries and logging management through litigation so much. We are trying to come to grips with those things through some legislation.

Senator BURNS. Did you want to respond to that?

Mr. MATHISEN. The mandated part of it goes hand in hand with not just the amount of timber that is put up for sale but the dollar value, $40 million plus for the timber supply fund. It all kind of goes hand in hand and becomes more of a mandate by the Forest Service to at least put up the sales and go on that pre-road. And when it reaches us, that is the feeling we get, there is nothing they can do, they have to go in and do it. We are fighting not only the sales in some instances but pre-roading. I mentioned that Chuck River has potential and that is totally damaged estuary before logging begins.

Senator BURNS. Okay. The thing there was I wanted to clarify because it keeps showing up in testimony basically, I think, by groups on both sides of the issue. But one of them seems like only terminology that is defined in the dictionary. So, I took all these good notes, and I lost them. I will readdress this. Thank you very much. It has been a good panel.

Senator MURKOWSKI. I want to compliment the panel. I think you have an extraordinary group of Alaskans that know what they are talking about and an industry that meets payroll, and it is refreshing to have their recommendation.

Sig, you and others know that part of the bureaucratic game to get the budget is to indicate that you have a mandate for services. It is convenient to use this by saying, "Hey, we have to have a budget because it says here we put up 4.5 billion board feet per decade and they go into your communities and say, 'We have to do this, this is a dictate of your Congress.' "

So, obviously have some problems with the Forest Service and those problems have to be corrected and it would be hoped that your input in such things as TLMP, Tongass. Land Management Plan, which I am sure you had an opportunity to participate in—at least I know a lot of folks in Petersburg have, and it would be considered in the ultimate disposition of this legislation.

I would like to point out as well, Sig, that it is my understanding that the Chuck River timber sales have been put on hold. The Forest Service put the sales on hold because of the objections of the state after the Environmental Impact Statement was completed. The sales have never been advertised. And this information is subject to correction, but this is the information that I have.

One of the difficulties there, of course, is my conviction that the state, in overseeing the native timber sales and goldbelts in this area, and this road does connect to it and offers opportunities both ways, but it does not have the necessary resources dedicated for the oversight of timbering on private land. So, while we look at the deficiencies of the Forest Service, and there are many, very many legitimate ones, we also have the problem of overseeing the water sheds associated with private lands. I am sure you will agree with that. We just have to do a better job in that area.

I am wondering, gentlemen, if you hike and fish in the Petersburg area and other areas, Mitkoff Island, do you think that 30 meters is sufficient for the buffer strips along streams? Somebody has got to say what is reasonable and what is unreasonable if we are going to rewrite this legislation. Now, I do not know.

Senator WIRTH. Senator Murkowski, regarding the recent rewriting of the State Forest Practices Act talking about a 15 and 30 meter retention on the salmon streams, a lot of input from organizations and individuals has been for a 100 foot minimum with a 200 foot conditional harvest area, or 300 feet total in any salmon estuary. I think that the 30 meters is minimum.

Senator MURKOWSKI. I think it is important that we already have the danger of blow down. If it is a hundred meters and it keeps blowing down, eventually it is going to fall in the creek. But nevertheless something has to be determined.

Mr. Wyman, I was curious, in your recommendation on the sensitive areas you recommended a LUD 2 designation rather than wilderness?

Mr. WYMAN. I think, you know, the Council came up with a statement. I think it is a real concern, prior to locking up more lands in wilderness and putting them away forever, I think with this designation, we can still be able to do some things the Tongass that most user groups can still do.

Senator MURKOWSKI. Well, the record will remain open, but this is a kind of issue that would become very controversial in committee. I am sure that the general consensus is when we take some of these area that are of concern, the immediate probability is to put them in wilderness. You are saying, no, put them in LUD 2. We encourage you, if you have a strong conviction, to give us a little more definite reason why.

Mr. WYMAN. I have the written testimony on behalf of myself and have the written testimony of our Advisory Committee, and I would hope that if there is going to be any plan, especially with regard to the Chichagof area, which is the largest section that Senator Wirth has in his bill that is set aside for moratorium, that you give us a chance, the local Advisory Committee, a chance to comment on those areas.

Senator MURKOWSKI. Let me just be a little brief here. What is the wilderness designation due to the ability of the public to enjoy it in relationship to LUD 2? There must be some line that you are concerned about here in this designation. Can you take a boat up the creek if it is a wilderness and can you in a LUD 2?

Mr. WYMAN. I think LUD 2—well, I am not quite sure on all of the provisions of it. The thing about LUD 2, it still provides for projects to happen, it still provides for money to happen, and I do not know quite—well, I am not sure about the logging but I think it still allows a certain extent of logging. Maybe that is a LUD 3 designation; I am not sure.

Senator MURKOWSKI. No logging is allowed, it is my understanding.

Mr. WYMAN. Well, we do not have any problems with the LUD 2, but sometimes we have problems with the wilderness designation that came about from ANILCA.

Senator **Murkowski**. Well, you have my train of thought, and you can give us some more information.

Senator **Wirth**. I just want to remind my good friend from Alaska that there is no reference to wilderness in the Wirth bill and that, in fact, we do not even have the strong protections that you all are recommending under LUD 2. It looks like LUD 2 is pretty good stuff. Now, let me read what the Forest Service said about LUD 2:

> These lands are to be managed in a roadless state to retain their wild land character. This would permit wildlife and fish habitat improvement and primitive recreational facility development. This designation will exclude, one, roads except for specifically authorized uses and, two, timber harvesting, except for controlling insect infestation or to protect other resource value and, three, major concentrated-recreational facilities.

The conference had suggested permanent LUD 2 protection for the twelve areas that they suggested. The twenty-three areas in my bill would be temporarily protected until the Forest Service plan is revised, and obviously we are honing in here on some kind of an agreement. It looks to me like a lot of this may end up in LUD 2 areas, which, I gather, you all suggested.

If I might, on the subject of the 4.5 billion I suggest that we read the law. Section 705(a) says, "The Congress authorizes and directs the Secretary of the Treasury shall make available to the Secretary of Agriculture the sum of at least $40 million annually or as much as the Secretary of Agriculture finds is necessary to maintain the timber supply from the Tongass National Forest to dependent industry at a rate of four billion five hundred million foot board measure per decade." That is a pretty inflexible requirement, 4.5 billion feet per decade. Again, for the purpose of the record here, the Forest Service said in its 1987 report, talking about the Land Management Plan, says, "the Tongass Land Management Plan anticipated an average annual timber sale volume of roughly four hundred and fifty million board feet, a sale level consistent with the upper limit of the allowable sale quantity for the Tongass." Then it goes on to say, "Since 1980 the volume of timber made available from the Tongass to the timber industry has averaged approximately four hundred and sixty million board feet per year. Of this approximately four hundred and ten million board feet was sold." So, they are anticipating and using the four-fifty as the base on which their whole forest plan is developed and that is one of the issues in front of us. If you have this four hundred and fifty million board feet per year requirement, 4.5 billion over 10 years, that drives the whole rest of the process. That is why this is a particularly crucial area, and I am pleased that you are focused on it.

Mr. Williams, may I ask you a question about your testimony? On page 1, you talk about old growth forest and the importance of that to salmon spawning. "Old growth forest habitat provides the crucial combination of these elements that will sustain healthy levels of salmon production and survival." Then you go on to say that, "Second growth forest does not provide this crucial balance. Research shows that in one stage or another of the second growth process productivity might actually be increased, but the short-term net gain, it is assumed, is more than offset by the negative impacts of succeeding stages."

Now, is this very broadly understood by science?

Mr. WILLIAMS. Well, we are lacking a volume of research in Alaska but the amount of research that has been done in B.C. and other areas, what most of them show is that initially, and this holds for game as well as our benefits in clearcut areas, to game but it can be to the fish. By opening it up, you may provide more life, and there may be more food. There may be an actual larger production that comes in at that stage. Then if the weather is good, it is not a problem.

Senator WIRTH. But is it commonly understood—is there any disagreement with the fact that, as you state, old growth forests are important to successful salmon spawning?

Mr. WILLIAMS. Not in my mind. It is proven that old growth forests will over time provide these things. Second growth forests, unless they are intensively managed, do not in and of themselves offer those things.

Senator WIRTH. Well, I asked the question because we have been hearing a lot of testimony yesterday that old growth forests are, in fact, a waste and ought to be torn down because we are not using the resource properly. And I just raise this because it seems to me that was a pretty strong statement directly to the contrary, and I wanted to know how firmly this was backed up.

Mr. WILLIAMS. It is backed up enough for the National Marine Fishery Service to recommend that that old growth habitat certainly be maintained at stream side to a 30 meter minimum, but we realize that that is a minimum we are talking about, only.

Senator WIRTH. I just have a few brief questions on that. In going back to the Chuck River drainage issue at Windham Bay that you raised, Mr. Mathisen, it seems to me that this is another good case study of how targets of the Forest Service drive decisions that might otherwise not be made. Is that the reason that you bring this up?

Mr. MATHISEN. Mr. Chairman, that is exactly my point. That was fairly explicit and one that I had very close hands on knowledge, and the fish in the area can document anything I say on it.

Senator WIRTH. Again going back to our earlier discussion about the TLMP and the 4.5 billion board feet which drives other uses and other priorities very strongly, which is why many of us want to remove that, and why I think that kind of requirement does not appear in any other national forest.

Mr. Williams, do you have any personal observation yourself on the effect of logging on your fishing business?

Mr. WILLIAMS. Well, definitely our problems became quite obvious here in the last 10 years and in areas where logging was done in the 1960s. The practices of logging in the 1960s is probably comparable to some of the stuff that is happening in South America right now. We clearcut right down to the sides of the rivers, and we sit back and continue to hope that these rivers will continue to produce salmon like they did. But 25 years later it does not appear that Mother Nature is helping out the system much. In the studies I read, it looks like it takes 80 to 200 years to start regaining a sense of normalcy to these river systems, or at least provide some kind of old growth characteristics in the national forests for the river balance.

Senator **Wirth**. It seems to me this agrees with Mr. Mathisen's case study and what others have said. Maybe what we ought to be doing is asking the Forest Service to incorporate findings like this and from the National Marine Fisheries Service. I am not quite sure how to do it, but we are hearing from all of you, and we heard yesterday, the great importance of forest riparian quality for fish habitat and spawning and your industry. It seems to me that maybe we ought to try to do more to encourage the Forest Service to be looking at that and incorporating those values.

May I ask for specific recommendations in our legislation to require the Forest Service to do that, which other people have thought were appropriate? It seems to me you are suggesting in your testimony that these are very important and the Forest Service ought to attempt more leverage than they have so far.

Mr. **Wyman**. Clearly, under the TLMP process, we are given a chance to comment like a full advisory committee is, but when the planning process calls for the mill to pick out maybe double what they need for that current period and then we are asked to comment on double what they need for the next five years and we as an advisory committee, we only meet like twice a month, maybe in the evenings in the winter months, and we do not have the staff. We might make certain recommendations, but there is so much area they are asking us to consider that we do not have the staff and biologists to sit there and go through all of the data and sift it out and follow through on our recommendations. We are just not included in the process and the Fish and Game—Alaska Parks, Fish and Game helps somewhat, but we still do not get all of the input and all data and all of the staff that we need to follow through on our recommendations.

Senator **Wirth**. I understand that. Maybe there is a way in which we can help on that by putting some things in whatever legislation passes that is going to make the Forest Service attend to these issues a little more carefully.

Finally, I am struck by you being here, Mr. Williams, and all of you being here, and I guess by the growing sense of concern. Is it that you are all more active on this subject than you were five years ago, 10 years ago, 15 years ago? And, if so, can you generalize as to why that is the case? You might want to comment on that, Mr. Wyman, Mr. Williams, any one of you.

Mr. **Williams**. It is not just as fishermen, or as far as the Southeast economy, it is not real easy to come up and say things that we feel may have an effect on the industry. We do not have a vendetta against the pulp industry or that kind of thing. There are a number of fishing families involved in this and it has taken a long time for people to realize that the volume of catch that we look at over the long term, and the kind of effects we are going to see cumulatively are going to have an impact. As Phil spoke about initially, we were told things like clearcutting would be good for deer, clearcutting would not harm fish, and those kinds of things. And now research has proven that that is not true, and we are realizing that given the volume of major cuts that we have seen that was not initially planned when the pulp mill contracts came out and the extra land volume that is being impacted, it is going to affect our industry. There are a lot of people joining groups and studying issues and getting involved where we were not before.

Senator WIRTH. Any other comments?

[No response.]

Senator WIRTH. We appreciate you all being here. There are a couple of things that came through loud and clear from your industry. One is an issue that Senator Murkowski has been so much involved with, which I completely agree with him on, and he has been very eloquent on the floor of the Senate and elsewhere on the subject of drift nets and how very damaging this is to the fishing industry, with its long-term effect on all of the species. The second area is one that you all have been hitting on today, and that is the relationship of old-growth timber to the fishing industry and that we have really got to do some more to protect that. It seems to me that those appear to be the two major areas of concern that you all have. Is that a fair generalization?

Mr. ESQUIRO. Mr. Chairman, as you folks deliberate such things as we are talking about today, it appears to me that—I was wondering, do you have people who come in and talk with you that you can ask questions of and can perhaps get information from related to life cycles of various species of salmon? What prompted this question was you were asking Mr. Williams about the real value of old growth timber. The real value of that old growth timber comes in varying degrees, depending upon the species of salmon that you are talking about. A couple of the species remain in the stream for two years before they ever decide to go to south water. Another species goes out as soon as it comes out of the gravel. Another one does that or, if he chooses, he will stay up in the spawning water. It occurs to me that somewhere along here it would be a value to your committee to talk to some fish biology people and have a top biologist and others to perhaps get some of these views into your consideration.

Senator WIRTH. I certainly agree with that. What happens, I think, in a hearing like this is that your interest is pigued in an area, or an issue gets brought out, and that is what these hearings are about. A lot of that has happened here: it is very helpful and we are going back looking at these issues in particular. That, of course, is going to require that we get a lot more expertise sitting at this table. We are asked to be, as you know, experts on everything from the Alaska pipeline to Angoon and shipments to Angola, and that is just the A's. We move right through and do the best we can. We really appreciate all of you being here.

Just like last night, I had the privilege of spending some time with Eric Jordan, whom all of you know, and he claims to have a great deal of expertise on this issue, and who am I to argue? So, I wanted to get you guys here today so maybe you could tell us a little bit more. We appreciate it very much.

Senator MURKOWSKI. Very briefly. I would ask this of Mr. Peter Esquiro. With regard to aquaculture effort in the streams that are somewhat barren for any number of reasons, whether it be logging, runoff or slides, do you try and prioritize those streams to address the release, you know, the need to bring those streams back, and we put aside the issue of interception on high seas. We do not know what is happening really out there. We know a lot of the fish are being processed in Singapore and Hong Kong and Bangkok and marketed over in France, because I have been there and I have seen it. That is another hearing for another time. The Chairman is quite right, I feel pretty strongly about that, but I am interested in your scientific experience of trying to rehabilitate these streams. Do you have evidence of what they were previously and what is the successful process or is it successful at all?

Mr. ESQUIRO. We have some records that we were able to get from the Department of Fish and Game as well as other organizations and also individuals who have local knowledge about the way things were in any number of streams throughout Southeast Alaska. We do have to prioritize the work that we do. I mentioned very early in my presentation that we are funded by a 3 percent tax that the salmon fishermen of Southeast Alaska imposed upon themselves, in order to try and make a difference with regard to this resource.

We do projects for a number of reasons. One reason is what you have already stated, which is to mitigate some loss that occurred in a stream whether it be by scouring a road or whatever. Another reason we do salmon projects is to mitigage our losses that may have occurred in other areas of our district. We have been very limited, to be very truthful, in our ability to respond to litigation work in many streams. In some cases, we have gone in and done projects with the Forest Service, as well as other State organizations, and have assisted in—you know, it is sometimes valuable we have those stumps in the streams rather than when we tend to think about a stream it is, first of all, cleaning it out. In a lot of cases, that is not the thing to do now. Juvenile fish need places to hide. Many of these places are conducive to production of food for them. What I am saying is that we have learned an awful lot about the technology of what is good for a fish. We would be the first to admit that there is a lot more that we need to learn.

Senator MURKOWSKI. My question is, specifically, is there an absence of success or no success?

Mr. ESQUIRO. We have had varying degrees of success. I think Alaska's hatchery program is probably one of the most successful in the world.

Senator MURKOWSKI. The Chairman recalled that with regard to this legislation, the chairman of the full committee was quite adamant in directing more reference go to wildlife habitat and other things that were significant. The folks included those in Louisiana. There might be some justification to consider putting some of the stumpage into designated areas in order to enhance the fisheries in other areas but, obviously, it takes money to do these things, but I would just simply offer that.

In conclusion, I know we have a little different interpretation of the virgin old growth, and I want to make sure that my colleague does not misunderstand me. He used some terms like "waste" and "torn down," and I want to make sure that we understand for the record there is 1.7 million acres of old growth that is already set aside, one-third of the commercial forest, in perpetuity. That might not be in all of the right areas. There is another 1.7 that is set aside for 10 years with the TLMP for fish and game and maybe that is not right but there is 1.7 left for commercial timber.

Mr. Chairman, an extraordinary thing struck me, if you look at the cut over the last decade, you see, as the witnesses have indicated, that the terminology the Forest Service is mandated to make available each year, you see that the actual cut is much less, and so what that means is there should be an excess unused that was available and credited each year. For instance, in 1978 they cut 414. Well, they should have 23 excess, and then in 1979 another 20, another 10 in 1980, in 1981 they cut 387. Well, that should have given them 110,000 more than they needed.

By the time you get through with this whole thing, in 10 years you find there was 750 million board feet short of what they were required to make available. So, there are some funny games going on. I wish we had a Forest Service witness here, because if they are required to put this up and make it available, and that implies roading, and have done this and the timber is available. But if the industry has not cut it what has happened to it? Over 10 years, you find that they have cut, instead of 4.5, 3.7. You wonder if they need a budget at all.

Senator WIRTH. That is a good point.

[Applause.]

Senator WIRTH. They released a lot of timber that would have been traded for the previously discussed area on Admiralty.

Gentlemen, I want to thank you very much for being here. I am struck by a final comment that juvenile fish need places to hide. When talking about members of the Senate, we all need places to hide. We thank you all very much for being here. It was very, very good testimony.

The fifth panel, as we move along, will be Robert Tonkin, of the Territorial Sportsmen, Robert Ward of the Sitka Convention and Visitors Bureau, Les Cronk, Southeast Stevedoring, and Ken Leghorn, Tongass Tourism and Recreation Business Association.

We are going to take a break now. I have just been reminded by the court reporter that it would be a good idea to get sustenance in our systems and so why do not we do that. It is now 1:00 o'clock and let us shoot for 1:25; can we do that?

[Recess taken.]

Senator WIRTH. We are back on the record at 1:25. We ask the witnesses to again join us at the witness table.

Gentlemen, thank you, for being with us.

The witnesses on the Fifth Panel this afternoon are Mr. Robert Tonkin, of the Territorial Sportsmen; Mr. Robert Ward, of the Sitka Convention and Visitors Bureau; Mr. Les Cronk, Southeast Stevedoring; and Mr. Ken Leghorn, Tongass Tourism and Recreation Business Association.

Why do not we start with you, Mr. Tonkin, and we will just move through. You are familiar with the procedures of the committee.

## STATEMENT OF ROBERT TONKIN, TERRITORIAL SPORTSMEN

Mr. TONKIN. Thank you, Mr. Chairman.

Mr. Chairman and members of the Subcommittee, the Territorial Sportsmen is a conservation organization with interests in sports, fishing, hunting and wise use of natural resources.

We would like to thank you for holding these hearings on management of the Tongass National Forest in Southeast Alaska.

It is the position of the Territorial Sportsmen that Section 705(a) of ANILCA, which requires the Forest Service to make available to the timber industry a supply of 4.5 billion board feet per decade and the creation of a special fund of at least $40 million, is not in the best interests of all resources and resource users and should be altered to allow more diversified priority consideration to all uses and users.

We want to clearly emphasize that the Territorial Sportsmen are not opposed to logging and that we support sound development which enhances the economy of Alaska.

In 1985 the Territorial Sportsmen produced a comprehensive report on the effects of logging on wildlife, fisheries, and economics in Southeast Alaska. We would like to make a copy available for the record.

Sitka black-tailed deer are the most abundant and widely distributed recreational and subsistence hunting species in Southeast Alaska. The main factor limiting populations is availability of food in winter. Logging, with its removal of canopy cover provided by old growth trees, allows much more snow to accumulate on the ground and makes food unavailable. About 30 years after logging, densely growing second growth shades out deer forage understory plants.

The Alaska Department of Fish and Game and the U.S. Forest Service have intensively studied effects of logging on deer. Predictive models using new information developed since the Alaska National Interest Lands Conservation ACT, ANILCA, indicate that, under present cutting plans, deer numbers in many popular hunting areas will be reduced 60 to 80 percent by the end of the first 100-year rotation period. Forest-wide, after the first rotation period, the deer number will be reduced by more than 40 percent. It is possible to modify cutting plans and carefully select areas to be logged so that impacts to deer would be less severe.

The Alaska Department of Fish and Game has consistently been on record for more protection of fish and wildlife habitat than is provided at the present by the Tongass Land Management Plan, which provides the same timber harvest base as ANILCA. During the TLMP review period, the Department stated that economics of timber harvest as it affects guiding, trapping and viewing of wildlife should be analyzed, along with economics related to timber industry jobs. To obtain a balanced resource allocation, the ADF&G recommended that one or another alternatives be adopted for TLMP. Both alternatives were rejected for the final TLMP, and a more intensive timber harvest plan was adopted.

The Alaska Department of Fish and Game requested deferral of logging in 70 management areas with exceptionally high fish and wildlife values until TLMP is revised in 1989. The 70 management areas are out of a total of about 820 on the Tongass Forest. This request was not honored, even in a time of depressed timber markets and reduced harvests. This illustrates the severe conflict between existing cutting levels and habitat concerns of Alaska Department of Fish and Game.

In summary, the Territorial Sportsmen wish to point out that clearcut logging in Southeast Alaska is permanently converting high-volume, old-growth forest with high wildlife values to second growth of much less value to wildlife. Long-term effects of logging on fish habitat and populations are unknown. Present planning and management processes have not given adequate consideration to values other than timber harvesting.

We believe the public, lawmakers and forest managers should be fully aware of tradeoffs associated with present management practices on the Tongass National Forest. The question is not whether logging should occur, but whether it should be concentrated in the limited higher volume old growth stands at the expense of other forest values, whether the mandated cutting levels can be sustained and whether the existing planning systems and Federal subsidies are being utilized so as to minimize the adverse effects to other equally important forest values.

Thank you for the opportunity to express our views.

[Report submitted by Mr. Tonkin was retained in subcommittee files.]

Senator **Wirth**. Thank you very much, Mr. Tonkin. It was very good testimony. I must say that you were reflecting what I have heard elsewhere, that the Alaska Department of Fish and Game has been stepping out smartly in a lot of this recently, and I am sure we all appreciate that. Thank you very much.

Now, Mr. Ward.

## STATEMENT OF ROBERT W. WARD, JR., SITKA CONVENTION BUREAU

Mr. **Ward**. Thank you, Mr. Chairman, and the Committee. My name is Bob Ward, and I am the Executive Director of the Sitka Convention and Visitors Bureau.

Visitors to Alaska experience the Tongass from a wide variety of conveyances: by kayak or cruise ship, airplane or automobile, backpack or bicycle. Each mode is an indicator of the demographic variety of Alaska visitors, as well as the variety of expectation of experience that each might hold for the Tongass.

Those who have been claiming to represent the Alaska visitor industry before Congress in fact speak only for that sector of the industry which caters to those Tongass visitors who experience the region by kayak, canoe or back country trekking. Their expectation of a Tongass experience is indeed one as pristine and untouched as only Alaskan wilderness can provide. They tend to be younger than the bulk of Southeast visitors, and their image of a frontier is limited strictly to the element of nature untainted by the presence of man.

However, the vast majority of Southeast Alaska visitors are over 55 years old, have monitored the growth of the last frontier over the decades, and share the broader understanding of the two elements of any frontier, which are wilderness and opportunity. The fact that Alaska is a raw and rugged land is, naturally, an attraction for them. For them it is also an attraction that Alaskans are able to scratch out an existence in this raw and rugged land. A Tongass without thriving communities and industries would be no more a major visitor destination for them than Chonos Archipelago in South America, a region with which we are all very familiar.

We are the pioneers who grasped the opportunity that this last frontier offered. We are the pioneers that many of our visitors dream that they might have become. We are the loggers, the fishermen, the miners, the shop keepers, the tradesmen who, for lack of a better term, tamed this frontier and made it our homes.

I believe that we have done this with a far greater respect than history shows was accorded to other frontiers. We have protected substantial areas, which will remain pristine and untouched for Alaskans, today's visitors and for future generations. We have also demonstrated effective husbandry of the resources we have harvested, be they growing from the land, swimming in the sea or buried in the earth. We have inhabited a forest which exemplifies the most extraordinary that nature can offer, while providing a living to those with the courage, fortitude and the sensitivity to endure.

This is the attraction that is Southeast Alaska.

This does not license us to plunder the resources that the Tongass offers. It must go without saying that unregulated harvest of timber within the Tongass will upset this frontier balance of wilderness and opportunity. However, the harvest of timber from public lands within the Tongass is the most highly regulated timber industry in the world.

The organizations that represent the broadest base of visitor industry businesses in Alaska are the Alaska Visitors Association and the Southeast Alaska Tourism Council. Neither feels that this balance of wilderness and opportunity in the Tongass is in jeopardy. Neither feels that the viability of the Tongass National Forest as a visitor destination is threatened.

Senator Murkowski's Senate Bill 237 assures the continuation of this balance. Senator Wirth's Bill 346 does not.

Thank you.

Senator **Wirth**. Thank you very much, Mr. Ward.

Next is Mr. Cronk.

## STATEMENT OF LESLIE A. CRONK, PORT MANAGER, SITKA, AK

Mr. **Cronk**. My name is Les Cronk. I am Port Manager for Cruise Line Agencies of Alaska as well as Southeast Stevedoring.

The original intent of the long-term contracts issued by the U.S. Forest Service was to attract investment to utilize the timber resource of the Tongass, provide jobs for U.S. citizens and subsequently establish a stable economic base for the communities located here. This has been successful and today is largely responsible for the infrastructure in Southeast Alaska that benefits almost every aspect of the tourism industry.

In 1988, 65 percent of all visitors to Southeast Alaska came via cruise ships. These ships can bring visitors here because there are facilities and services available that would not be here or would be reduced without the year-around needs of the timber industry. Some examples are docks constructed for the handling of forest products: tug boats that assist cruise ships in docking and spend their winters assisting log, lumber and pulp ships; marine pilots that work year around handling these cargo ships while the cruise ships are here only four months.

Cruise Line Agencies of Alaska is able to provide more personnel and equipment to support the cruise industry because it is a division of Southeast Stevedoring Corporation, which has been loading log, lumber, and pulp ships in Southeast Alaska for over 30 years; air tour operators that also fly people and supplies to the logging camps; and bus tour companies that also transport school children. This list of interdependence can continue through all areas of our economy in Southeast Alaska.

A reduction in the timber industry would result in a reduction in the availability of services and subsequently the quality of the visitors' experience and, ultimately, a reduction in cruise traffic.

The tourist industry is still expanding, and many facets have yet to be developed. Access to many areas in the Tongass need to be improved so that a much larger segment of the American population can see and utilize this spectacular area. We heed to diversify the types of recreational opportunities available in Southeast Alaska, not limit it to those segments of people that can afford to fly or trek to these remote areas. The timber industry has greatly aided in this and, with their continued cooperation, we can help more Americans see and enjoy their land. Let us not restrict this resource to the selfish few who have the money and the loudest voices.

The Tongass National Forest is different from the rest of the national forest system and cannot be successfully managed in the same way. Large private and state timberland holdings in the Lower 48 allow a diversity of timber supply and less pressure on Federal lands. In Southeast Alaska, Federal lands are the only dependable, long-term source of timber available. The pulp mills here are challenged by some of the highest road building, logging and transportation costs of any of the national forests. This, along with higher wages and operating costs, makes it difficult to compete in the world market. The only advantage these mills have is their long-term contracts that guarantee a stable timber supply. The intent of and need for these contracts still exists, and the stability of at least one-third of our economy in Southeast Alaska depends on them.

Senate Bill 346 endangers the timber industry, the tourism industry, and our economy needlessly. Senate Bill 237 will help maintain the stability of the industries within the Tongass National Forest.

I encourage you to base your decisions on what is reality in Southeast Alaska, not on the radical viewpoints you have been hearing in Washington, D.C. We can and must work together to promote multiple use management of the Tongass to benefit all users of our national forest.

Senator WIRTH. Thank you very much, Mr. Cronk. We appreciate your testimony.

The last member of this panel is Ken Leghorn.

## STATEMENT OF KEN LEGHORN, TONGASS TOURISM AND RECREATION BUSINESS ASSOCIATION

Mr. LEGHORN. I am from Juneau and have 11 years in tourism.

The Tongass Tourism and Recreation Business Association is a coalition of over 90 businesses involved with tourism and outdoor recreation in Southeast Alaska. Each company has recently agreed to the following position statement in support of Tongass reform legislation:

The Tongass Tourism and Recreation Business Association believes that in order to achieve balanced management of the Tongass National Forest, the U.S. Forest Service must be relieved of constraints imposed on it by ANILCA, Section 705(a), and by the two 50-year timber contracts with the pulp mills. We also recognize the importance of key fish and wildlife and scenic areas which are now protected, and believe that further designation of selected lands for permanent protection on the Tongass National Forest is desirable. Therefore, the Tongass Tourism and Recreation Business Association supports the Tongass Timber Reform Act and associated legislation which may be introduced.

The 90 businesses who support reform legislation include lodges, fishing charters, retail stores, outfitter/guides, air taxi companies and a variety of other businesses from towns such as Ketchikan, Wrangell, Sitka, Juneau, Angoon, Pelican, Haines and Yakutat. What we share in common is a commitment to the long-term economic health of our region, including a diversified economy. We do not believe Senator Wirth's bill is anti-development, nor antilogging, nor is it strictly environmental legislation. Rather, we regard the Tongass Timber Reform Act as giving all industry in Southeast Alaska the same fair treatment and the same chance to compete. It is time to stop pampering the pulp mills with unfair contracts and to stop subsidizing the destruction of the best places this forest has left.

Tourism here is a sunrise, not a sunset, industry. Our businesses are growing. Many of us pay 3 percent of our annual gross revenue into the Federal treasury for operating on public lands. We can continue to grow for decades to come, and continue to pay our way, but we cannot support having 85 percent of Tongass management funding to only aid one industry, especially an industry that is at odds with ours when it involves clearcutting coastal virgin forests. The Tongass currently spends the lowest percent of management funds on recreation than any other region in the country. Let the timber program here compete with other user groups and industry programs and give our businessmen a chance.

Finally, we urge you to realize that the same key areas for fish and wildlife protection that are important to the fishing and conservation communities are also extremely important to the future growth of tourism in this region. The 23 areas listed in Senator Wirth's bill all need permanent protection. A temporary moratorium will not give tourism businesses the investment protection they need in order to begin marketing and operating trips to these areas. A 1985 tourism study found that the majority of operators feel very positive about the influence of wilderness designations on the Southeast tourism industry and their own personal businesses and that the single, most frequently mentioned activity avoided by operators was timber-related operations.

In closing, we need to emphasize that Senator Murkowski's bill does not address our major concerns for tourism and recreation. We do not want to bring these same issues before you again next year. Therefore, the Tongass Tourism and Recreation Business Association urges you to pass the Tongass Timber Reform Act and to include wilderness designation or some other kind of permanent protection for all of the 23 areas listed. That permanent protection could include wilderness—some kind of a roadless designation.

One additional point, although I am only representing this association, I do want to note that Alaska Visitor's Association has recently supported the Southeast Conference.

Senator **Wirth**. Thank you very much.

Senator Murkowski?

Senator **Murkowski**. Mr. Leghorn, I guess the Tongass Tourism and Recreation Business Association does not support the Southeast Conference recommendation?

Mr. **Leghorn**. They have not stated they supported the Southeast Conference's position. They only presented the position statement that I quoted.

Senator **Murkowski**. Do you know if they intend to address it formally?

Mr. **Leghorn**. There is no intent at this time.

Senator **Murkowski**. The reason I ask is that you said the Alaska Visitor's Association did support it, and I am curious to know if the Tongass Tourism and Recreation did not?

Mr. **Leghorn**. I do not know.

Senator **Murkowski**. The Forest Service's presence in cabins and trails and what they do in the form of welcome, and I think they are still individually available on some of the ships to provide services for tourists, is that still going on?

Mr. **Leghorn**. Yes, it is. That is a very successful program.

Senator **Murkowski**. The Forest Service makes some contribution to tourism, correct?

Mr. **Leghorn**. I think it is safe to say that the Tongass has some of the most dedicated recreation staff in the Forest Service of any forest. It is amazing what they do with the levels of funding that they do get.

Senator **Murkowski**. You are aware that both bills do away with any Federal funding of the Tongass?

Mr. **Leghorn**. Yes, sir. I believe Senator's Wirth's bill does provide language that directs the Forest Service to spend more of its efforts on non-timber programs, and that is the real key to recreation and tourism.

Senator **Murkowski**. Well, that would have to be the responsibility of the Forest Service because they are managers of the Tongass, and we would all like to see them do a better job to enhance tourism. I think that is very important.

Just a couple of other brief observations. I notice that the testimony of the Territorial Sportsmen, many of whom I know quite well, but in the testimony of Mr. Tonkin, the statement was made that the main factor limiting the population of Sitka black-tailed deer, which are the most abundant and widely distributed recreational and subsistence hunting species in Southeast Alaska, is the availability of food in winter. Then it goes on to say, "Logging, with its removal of canopy cover provided by old-growth trees allows much more snow to accumulate on the ground and makes food unavailable. About 30 years after logging, densely growing second growth shades out deer forage understory plants." Are you aware that the proposal is to leave 1.7 million, one-third of the wilderness, which is as it is now currently, in the Tongass National Forest and one-third commercial forest in wilderness, and that is to be set aside for 10 years as a fish and game habitat in TLMP and that leaves 1.7 million acres for logging?

Mr. TONKIN. I think conflict arises in the specific areas of winter consolations.

Senator MURKOWSKI. I just wonder if there is not some conflict in the reality that the deer often have the realization of predators. Have you ever hunted on Kuiu Island?

Mr. TONKIN. No, I have been there, but I have not hunted there.

Senator MURKOWSKI. Do you know what the deer level is on Kuiu Island?

Mr. TONKIN. No, I do not. The season closed.

Senator MURKOWSKI. What do the wolves eat?

Mr. TONKIN. Basically, they eat deer.

Senator MURKOWSKI. How many do they eat a day?

Mr. TONKIN. I do not have any figures. Part of their diet does consist of the understory vegetation and other wilderness food sources.

Senator MURKOWSKI. On Admiralty and Banoff and Chichagof there is no erosion and the limitation is three, four, or five deer for hunting.

Mr. TONKIN. I think if you read the report, and the State report that is also submitted, addresses the exact things you are talking about. It is part of the testimony.

Senator MURKOWSKI. I think it is important as testimony. All I read was the four pages that you spoke from and to someone who is not knowledgable about Southeast Alaska to assume that the dwindling populations was due to availability of food in the winter and then logging and since it is my understanding from expert witnesses in Ketchikan yesterday that the wolf eats about 10 pounds of deer a day, and that is about a deer a week—I do not know how many wolves are here, but maybe somebody else does, but I just want to point out that as we address all of the realities of our fish and game that we do have the realization that the predators are both wolves and men. I wanted to make that point, and I think that I have.

I think that the testimony by Mr. Ward obviously reflects a long-time observation of the tourist patterns, and I know Mr. Ward and his association are known for their scheduling, taking a very small community and making it identifiable as a tourist designation. I would like to go in there and ski at White Pass, but I am not going to have time for that this year.

Thank you, Mr. Chairman.

Senator WIRTH. Mr. Burns?

Senator BURNS. No questions.

Senator **Wirth**. Very quickly. Mr. Ward, in your testimony you said that the harvest of timber from public lands within the Tongass is the most highly regulated timber industry in the world. Where did that data come from?

Mr. **Ward**. Well, I would have to admit that is pure speculation on my part.

Senator **Wirth**. That is not true. I just want to point that out. Any forest that is near an urban area has more intensive forest management.

Mr. Cronk suggests that our large private and state timberland holdings in the Lower 48 allows a diversity of timber supply and less pressure on public lands, which is another one of the reasons why it was suggested the Tongass ought to be treated differently. That is one of the questions we have been after all of the time, why should the Tongass be treated differently? The suggestion here is that it is because there are other timber sources available in the Lower 48, is that right?

Mr. **Cronk**. That is what I am saying, yes. The Federal Government and privately owned log the timber supply.

Senator **Wirth**. And in every other national forest there is available, therefore, a diversity of timber supply from large private and state timberland holdings?

Mr. **Cronk**. Correct. In other states, as well as national forests, they are not the only source of timber there.

Senator **Wirth**. Are there also national forests that do not have available private and state timberland holdings?

Mr. **Cronk**. Not within the national forest, but within the states they exist. I believe that there are the private and state holdings.

Senator **Wirth**. Well, I think there are a number of examples of other national forests where those who timber on the national forests do not have access to any other timber.

Mr. **Cronk**. There may be operators that focus their operations specifically on Federal timber, be it Forest Service, National Forest, or be it Land Management. They have the same opportunity to bid on state sales, if those are available in those areas. Many of the private holdings are large timber companies that do cut for their own use, but that means that they do not have to rely on the Federal lands so heavily.

Senator **Wirth**. Seldom do you find a competitive situation in the Rocky Mountain Region or the Pacific Northwest where there are competitive situations and you do have smaller mills there. Very seldom do those mills have access to anything but national forest land. The point of that is that were there to be a more competitive situation here, rather than two large companies having all of the contracts who have effectively, as I understand it, driven everybody else out, is that you would treat this in a more competitive way, and there would not be any need for these kinds of long-term contracts and commitments we have here today. The other forests have gotten rid of those. The rationale was that there was not any other market and, well, we have proved that there are other markets.

So, I am just asking again why should the Tongass be treated differently and you are making one allegation as to why it should be.

In fact, I do not think it holds up and examines what other forests have done. Does that make sense to you?

Mr. CRONK. Well, I see what you are saying but I still feel the Tongass is unique in many ways and being that it is the only timber supply available for the timber industry here, for the pulp mills or sawmills, I do not feel that we have the ability to restrict—well, I do not think this national forest can be handled in the same manner. I do not think the independent stump sales offered in the forest, meaning the small operational stuff, could work as well in Southeast Alaska without substantially increasing the raw material cost to these mills and subsequently endangering their ability to operate in the world market.

Senator WIRTH. Mr. Leghorn, you said that the Tongass has the lowest percentage of Forest Service funds spent on recreation. Where did those numbers come from?

Mr. LEGHORN. They came from the Forest Service. About 85 percent of the Tongass annual budget, and it has been pretty consistent for the last number of years, is spent on the timber program and about 15 percent is spent on all of the other programs: recreation, fish and wildlife.

Senator WIRTH. I understand that, but you said it was the lowest percentage spent on recreation of any national forest.

Mr. LEGHORN. Yes. I have checked that figure with the Forest Service personnel.

Senator WIRTH. Could you get for us or send in to us where those data come from?

Mr. LEGHORN. I would be happy to provide that for the record.

I would like to address your question about the issue of timber regulations in the Tongass. I think it was an important one. I would say that, at least in this country, the information I would like to see pursued and put into the record, that perhaps the Tongass is one of the least regulated forests in this country. As I am aware, there are major sections of the 1976 Forest Practices Act which are not in the forest on the Tongass and which have been and are the subject of lawsuits because of that.

Senator WIRTH. Just as a final point on all of this, if we look at the Tongass, and I think we also discussed this yesterday in Ketchikan, there is in the current law a waiver of the so-called "suitability requirements," whether it is economically or environmentally suitable for timber. Now, those requirements exist for every other national forest in the United States but they are waived for the Tongass. This would suggest to me that there is probably less regulation and probably less management, therefore, in the forest. Does it suggest that to you?

Well, I do not mean to pick on the statement you made that it is one of the least-regulated forests, but I think you were probably looking at that one provision of suitability, which is in there for every other national forest. And for some reason, and I do not understand why, it was waived in the Tongass legislation. In the bill which I have offered to get rid of that waiver there was wording saying let us keep the Tongass consistent with the way in which we treat other national forests.

Do any of you have anything further for the good of the record?

[No response.]

Senator WIRTH. We appreciate your being here. We thank you very much.

Now, our sixth panel consists of Mike O'Brien, Shop Foreman, Whitestone Logging Company; Frank Roppel, Executive Vice-President, Alaska Pulp Corporation; Bud Stewart, Owner/Operator, Whitestone Logging Company; Bernice Brown, a member of the Alaska Women in Timber; Larry Beck, Mill Foreman, Chilkoot Lumber Company and Dennis Jacobs, an employee of Chilkoot Lumber Company.

If you all will come up and join us, please, at the witness table.

We thank you all very much for being here and if we could have our final panel be ready to come up, give copies of their statements to the staff, if you would. That would be Dixie Baade, Florian Sever, Lee Schmidt, Alice Johnstone, Margaret Calvin, and K. J. Metcalf.

Thank you all for being with us. And, Mr. O'Brien, we will start with you.

[No response.]

Mr. O'Brien is not here and so we will start with Mr. Roppel.

## STATEMENT OF FRANK ROPPEL, EXECUTIVE VICE PRESIDENT, ALASKA PULP CORP.

Mr. ROPPEL. Mr. Chairman, we appreciate the opportunity to address the bills.

Alaska Pulp Corporation bid on its long-term timber sale in a competitive bid offered by the U.S. Forest Service in 1957. It was awarded the bid and proceeded with bid requirements, the main one being construction of a pulp mill.

In the 1950s, many of our shareholders and others in Japan really wanted to buy round logs rather than build a pulp mill. This government could have made a lot more money then, as today, by selling round logs from the Tongass, as compared to the longstanding policy of the U.S. Forest Service which requires manufacture of the logs before sale.

We have faithfully performed on our part of the contract for 25 years. The social infrastructure benefits, and other benefits, anticipated by the government appear to have been achieved. Many thousands of man-years of employment have been provided. Millions in income taxes, stumpage payments, and property taxes have been collected by various government entities during our nearly 30 years of activity in the area.

In addition to the original investments required, the company has continued to invest in the operations to keep the mill modern and meet changing government requirements. As an example, this year alone we are midway into the construction of new pollution control facilities at a capital cost of nearly $19 million—all borrowed funds.

It is upsetting to our shareholders, bankers, management and employees to find that now, half-way through our contract, the government is seriously considering legislation to walk away from its part of the bargain. It is especially distressing because there are no provisions to provide for the employees and communities adversely impacted by S. 346.

The long-term contract was the key element which brought Alaska Pulp to Sitka in the 1950s. Without the long-term contract as collateral, it will be difficult to obtain financing. A pulp mill without an adequate timber supply is not a good business risk. Trying to run a plant such as ours with less than the necessary volume of wood is out of the question. We are barely cost competitive now, at full capacity. It is not feasible to operate at reduced capacity, even if we could get sales contracts to supply pulp on and if and when we get enough wood basis.

As a matter of fact, right now we are struggling to obtain enough wood to operate at full production, even with a long-term contract. The sawmill in Wrangell has been closed for three weeks this month because it cannot get enough logs.

We are hopeful that the information you receive will convince you to adopt the approach by Senator Murkowski in S. 237.

We appreciate the opportunity to give you our views.

Senator **Wirth**. Thank you very much. Mr. Stewart?

Evidently Mr. Stewart is not here.

## STATEMENT OF BERNICE BROWN, ALASKA WOMEN IN TIMBER

Ms. **Brown**. My name is Bernice Brown, and I represent the Sitka branch of Alaska Women in Timber, AWIT.

We support Senator Murkowski's Senate Bill 237. Obviously there is a need for education, and highlighted is a multiple use for the forest as opposed to a single use. We believe that it is evident that the timber industry plays a big role in the nation's economy, providing for jobs and contributing to the positive side of the U.S. trade balance in both local, state and Federal coffers.

Locally, we have a reasonable utility and tax rate because of the pulp mills contribution.

Earlier this month, I accompanied a witness to Washington, D.C. to discuss the Tongass issue with members of the Congress and staff members. We were asked what makes our forest different, why is the logging more costly. It was difficult for them to comprehend the logistics required in setting up and operating a logging camp in a remote island area. We explained what you have to have to build a logging camp where no previous road has existed and also that supplies are flown in or brought by water. Persons who have never experienced this type of environment legislate this area.

We furnished photographs to show the folks in D.C. For example, the aerial photos of Sitka showed the land area behind town where the trees were cut by the Russians a hundred years ago. They were surprised to see there was no discernible line to show where the Russians ended their cut.

We also had a photograph showing Muskeg and clearcut areas. Trees never have grown in Muskeg. However, some magazines have misidentified Muskeg as a result of clearcut.

Those individuals brought up the so-called $40 million subsidy and the 50-year contracts. The $40 million was the cause of additional wilderness brought about when the loggers had to relinquish commercial timber for noncommercial timber demanded by the environmentalists. Congress had added $12 million to the already existing $28 million budget to the Forest Service. The loggers did not request the added $12 million.

The 50-year contracts were issued by the government in order to encourage pulp mills to make the large investment needed to build the pulp mills. The banks would not have loaned them the money if they did not have a supply of timber.

The people of Southeast Alaska are anxious for industry to come to their area and try to make it as attractive as possible. What new industry is not given a helping hand when it locates in an area?

I was surprised to hear one staff member in D.C. say that the government breaks contracts all of the time, and so there would be no great impediment to get out of the long-term contracts. This shows disregard for the people whose livelihood depends on the industry. It is impossible for them to load their station wagon and drive to the next town.

Again, we reiterate that AWIT supports Senate Bill 237, which provides for intensive management so that the maximum harvesting of 4.5 billion board feet per day be achieved. We believe there is already enough wilderness that has been set aside. We firmly believe in multiple use of the forest, and it is unnecessary to expand the single use areas, which already comprise over half of the Tongass forest.

Thank you.

[The prepared statement of Ms. Brown follows:]

# TONGASS TIMBER TESTIMONY

## SITKA BRANCH

## ALASKA WOMEN IN TIMBER

SUPPORT SENATOR'S MURKOWSKI AND STEVENS BILL S 237

## INTRODUCTION

My name is Berniece Brown and I represent the Sitka branch of Alaska Women in Timber (AWIT). My husband, Don Brown, and I arrived in the Sitka area in 1966, where we owned and operated Mud Bay Logging Company until his retirement in 1983. Previous to coming to Alaska, we had lived in Oregon where we logged for Evans Products and U.S. Plywood. I am a graduate of the University of Oregon and my husband of Oregon State University School of Forestry.

My husband has operated logging operations for over 40 years and during this period has not had one on-the-job fatality among our employees. I would credit this good record to our strong respect for the power of Mother Nature and our emphasis on safety. In our remote Alaska camps the men and women were given First Aid and CPR training and we offered the added incentive that the employees received extra pay for no time lost due to injuries.

Alaska Women in Timber came into being in 1978 because we realized someone needed to tell the story of those in the woods whose lives would be most directly affected by the loss of available commercial timber. It was a grassroots movement organized by wives of the men working in the woods and the mills who were too busy to take time off for political purposes. So, rather than just agonizing over whether or not there would be work the following year, the women pitched in. We consider AWIT to be an educational effort--a means of getting our side of the story told.

AWIT is comprised not only of persons working in the timber industry, but also business people who recognize that the timber industry is important for their respective businesses. In short, AWIT members are trying to protect our jobs and the livelihood of others in our communities.

## TIMBER INDUSTRY ROLE IN SOUTHEAST ALASKA ECONOMY

AWIT asks that community economic stability be considered when debating the future of the forest products industry in Southeast Alaska. According to Alaska Department of Labor records 8,200 direct and indirect jobs in Southeast Alaska are a result of the timber industy. When you consider that the total number of workers in Southeast is only 29,100, it is evident that the timber industry plays a big role in the area's economic wellbeing. In fact, over one-third of the Southeast Alaska economy depends on this resource. Furthermore, Southeast Alaska's timber industry accounts for aproximately 3,600 fulltime workers with earnings of $110 million. Income tax from this alone accounts for $25 million to the National Treasury.

In order to sustain our industry and jobs in Southeast Alaska it is necessary to have available 4.5 billion board feet of timber per decade. Congress recognized this when it passed ANILCA in 1980 directing the U.S. Forest Service to make available 4.5 billion board feet of timber per decade on a 100-year rotation basis.

Thanks to the foresight of Alaskans and the U.S. Government, the Southeast Alaska economy has been mightily helped by the pulp mills that were attracted to this area in the 1950's. There has

has been a lot of discussion about the 50-year contracts that were a critical key to attracting industry. The contracts now have 17 and 20 years respectively to run. The 50-year contracts were necessary to secure financing for the multi-million dollar investments in the two pulp mills in Southeast. AWIT believes these contracts should be honored.

In the case of Sitka specifically, let me highlight some economic impacts that would come about should the timber base be further eroded and the Sitka pulp mill closed:

o Alaska Pulp Corporation accounts for 27.4% ($1,674,000 in 1986) of all electrical utility revenue to the City and Borough of Sitka. They also pay nearly one-fourth of the municipal water revenue ($100,000 in 1986). Should the mill close, the next day utility rate increases would be a minimum of 23%.

o About one-fifth of all Sitka property tax revenue is derived directly from APC ($211,495 in 1986). Not included are property tax payments of households of the 23.4% of all area employees attributable to Alaska Pulp Corporation.

o Alaska Pulp Corporation, its employees, and the pulp mill's support labor force spent an estimated $30 million in Sitka on goods and services during 1986.

o One seafood processing plant owner (there are two processing plants in Sitka) has stated he would not be able to afford the excess utility and property tax rates and would not be able to remain in business.

o Not counting the Forest Service payroll, the economic downturn from loss of payroll attributable to forest products would be 27.1%.

## THE COST OF WILDERNESS

A subject that is often mentioned is the so called "$40 Million Subsidy." This amount was not requested by the timber industry during the ANILCA debate. Rather, industry asked that Congress not trade commercial timber in areas designated for timber harvest for timber located in wilderness areas. The timber to be traded to the industry was not economically feasible for harvest due to significant additional roadbuilding and logging costs. The Congress, recognizing that it was unfair that the better timber be taken away, added $12 million to the already allocated $28 million Forest Service budget bringing the total to $40 million.

Analyzing this supposed subsidy from another viewpoint it is evident that the additional money required for the Forest Service budget and the loss of commercial timber resources was the cost of additional wilderness. Environmentalists complained about the amount added to the Forest Service budget but said nothing about the value of the wilderness maintained by giving up the good commercial timber.

## PENDING LEGISLATION

AWIT supports Senator Murkowski's bill, S. 237. It provides for intensively managed forests so that a maximum harvest of 4.5 bbf/decade is achieved. This is the amount estimated necessary to maintain the historical timber employment base. The bill also retains the current 50-year contracts with Alaska Pulp Corporation and Ketchikan Pulp Company. As noted earlier, these contracts benefit Southeast Alaska. We believe there is already enough wilderness that has been set aside. We firmly believe in multiple use of the forest and that it is unnecessary to expand the reach of nonmultiple use areas which already comprise over half of the Tongass Forest.

## CONCLUSION

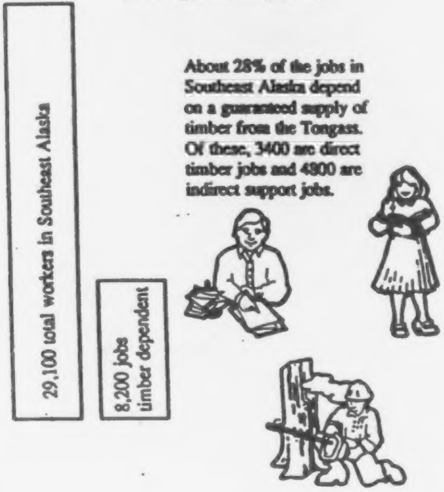
In summary, the Tongass National Forest comprises 16.7 million acres. 5.7 million acres are considered "commercial" forest land--or land suited biologically for growing and harvesting timber in a continuous cycle. Wilderness designations contain approximately 1.7 million acres of this commercial forest land. 2.3 million acres of the commercial forest land are not available for timber harvesting because they are prime recreation areas, critical wildlife habitats, sensitve fisheries streams etc. That leaves 1.7 million acres of commercial forest land as the current timber base. Only about 1% of that 1.7 million acres is scheduled for harvest in any given year. At the end of the first 100 year rotation, the same acres will be ready for harvest a second time.

Alaska Women in Timber continues to support wise use management of the timber resources of the Tongass. Wise use forest management is crucial to community economic stability, to providing a sound timber base, to assessing wilderness values versus economic values and to the utilization of the forest for the betterment of all--including people.

April 25, 1989

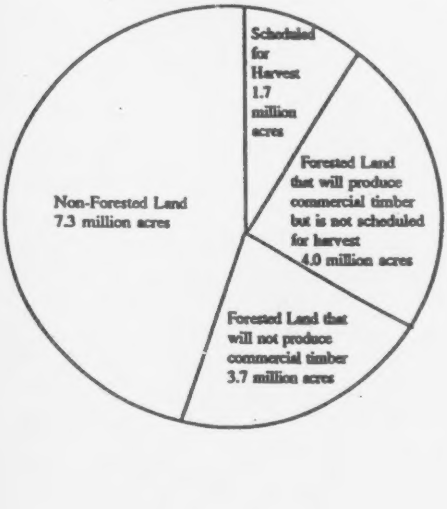
# Getting a Handle on the Facts About the Tongass National Forest

***Jobs on the Tongass***
***(average monthly jobs)***

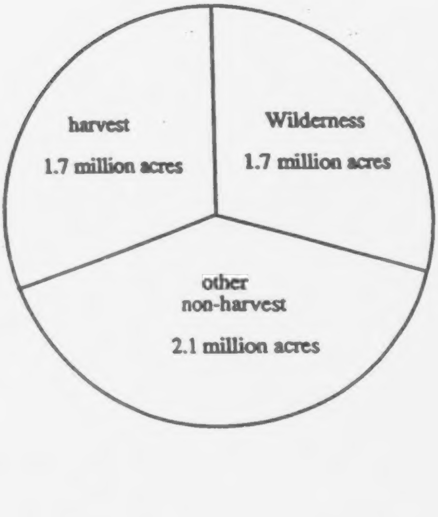


About 28% of the jobs in Southeast Alaska depend on a guaranteed supply of timber from the Tongass. Of these, 3400 are direct timber jobs and 4800 are indirect support jobs.

***Land Classification on the***
***Tongass National Forest***
***(16.7 million acres total)***



***Commercial Forest Land***
***in the Tongass***
***(5.5 million acres total)***



Senator **Wirth**. Thank you very much, Ms. Brown.

## STATEMENT OF LARRY BECK, GENERAL MANAGER, CHILKOOT LUMBER CO.

Mr. **Beck**. Mr. Chairman, members of the Committee.

I am Larry Beck, the General Manager of Chilkoot Lumber Co. in Haines.

Having spent my entire professional life, 24 years, in all facets of timber harvest and lumber production, I feel entitled to speak on the subject.

I am totally opposed to any verbiage which would allow anyone to think that the 4.5 billion board feet allowable to be cut per decade meant anything but that: allowable cut.

The industry has the capacity to utilize much more than its much publicized "450 mmbf per year," but because of market demands, the actual cut may not reach the 4.5 billion board feet of potential harvest base. The industry needs the assurance that the timber will be available so that we can plan for the future. The Tongass will sustain much more than the 4.5 billion feet of allowable cut per decade.

All compromise agreements with groups opposed to timber harvest seem to be a one-way street, with the environmental groups forgetting what they agreed to just a couple of years before. The industry should not need to continue to lobby Congress for its agreed-upon share of the forest. Congress should stand fast and deny those that, with their proposed trades of land, loggable for wilderness, would effectively stop many of the planned transportation corridors. These transportation systems are constructed to allow all of the users of the forest access to their forest, not just the logging industry. The setting of the boundaries should not be a subject that the legislative branch gets involved with, but a matter that is decided by a committee of all the groups involved in the multiple use of the forest.

If all of the Nation's national forests are to be attacked as the Tongass is, what is going to be the cost to the American consumers, driven by their insatiable demand for forest products in the form of lumber, paper, dissolving pulp products, and absorbent pulp for disposable diapers and the like. The constant erosion of the basic industries that supply the raw materials to the American production chain is causing these American jobs to be exported. Our own mill, in the small business sector, is producing mostly finished products, ready to go on the consumer's shelves, keeping these jobs and payrolls here in America. Utilizing the Tongass is one of its best roles, supporting the people of the Tongass.

Senator **Wirth**. Thank you, Mr. Beck.

## STATEMENT OF DENNIS JACOBS, CHILKOOT LUMBER CO.

Mr. **Jacobs**. Mr. Chairman, ladies and gentlemen. My name is Dennis Jacobs, and I am employed in the forest industry in the Tongass National Forest. I have been involved and employed, directly and indirectly, in the forest industry my entire life.

I wish to address you members of the Congressional Committee, and other concerned citizens in the audience, on my concerns regarding the reduction of the allowable cut of the timber base in the Tongass National Forest.

We have been promised and guaranteed through legislation in the past that we would receive an allowable cut that would sustain the forest industry in Southeast Alaska. In the past, we have made major concessions to maintain this allowable cut in order to preserve our jobs and futures. How many more concessions must we make?

We cannot tolerate a reduction in the allowable cut on the Tongass. The effects on the entire economic base of Southeast Alaska would be devastating. It would cause an economic collapse of proportions unseen anywhere since the depression in the 1930s.

The major proponents calling for a reduction in the allowable cut are the same people who live in wood houses, work in wood offices, sit behind wood desks, cut or buy Christmas trees and use ream upon ream of wood paper products, not to mention paper for more personal uses—all this while inking legislation on these reams of paper, reducing the source of these products and our jobs. Webster has a word for these people. It is called "hypocritical."

Now, for the members of the Congress who support such ridiculous legislation. You people recently attempted to give yourselves a pay raise which was more than the average yearly income on the Tongass Forest. Are you willing to compensate us, support our families, and re-educate us, as you did in creating the Redwood National Park? I hope so, because we cannot if you take our jobs away.

I only hope you show some semblance of justice and sanity in not deviating from the present allowable cut in our forest. I say "our forest" because a vast majority of the people supporting this legislation do not even live in our state and will be totally unaffected by this legislation and economic disaster.

Thank you.

Senator WIRTH. Thank you very much, Mr. Jacobs.

Senator Murkowski?

Senator MURKOWSKI. I am interested in a couple of things, Mr. Chairman, brought up by Ms. Brown.

The cut timber behind Sitka that you referred to——

Ms. BROWN. I have a picture here that I brought that shows the area.

Senator MURKOWSKI. If the professional staff wanted to go out and look at the mountain, how far would they have to go?

Ms. BROWN. I think you could just—anywhere downtown you can see it. It is very visible.

Senator MURKOWSKI. We could go outside the door here and look up at the mountain?

Ms. BROWN. You could see it.

Senator MURKOWSKI. You could see where the old growth was cut maybe some hundred years ago?

Ms. BROWN. A little over a hundred years, I assume.

Senator MURKOWSKI. And the Russians, and others I assume, did a lot of timber cutting around here. It is safe to say, probably, that all of the accessible timber that one can see, and I hope that my colleague, Senator Wirth, has an opportunity to look around the area, is all second growth timber?

Ms. BROWN. Right.

Senator **Murkowski**. And you see the V up on the mountain where the second growth intercepts the original growth. Have any foresters ever looked at the two and made any conclusions?

Ms. **Brown**. I do not know if they have or not.

Senator **Murkowski**. I think it is very important, Mr. Chairman, to note that right here is this phenomena. Here we have evidence of second growth from 100 years ago and next to it is original growth. And on the mountain behind Sitka, from when the Russians came, you can see where there is second growth and in abundance. I think Ms. Brown brought that out in testimony.

Ms. **Brown**. I think it is my understanding, too, that Kuna Park was at one time cut, and you can see the stumps, but I did not want to be quoted on that, I was not positive on that.

Senator **Murkowski**. Mr. Roppel, there was conversation in the Ketchikan hearings at some length that the Alaska Pulp Company mill was owned by the Japanese and the final designation of the product it produces. I was wondering if you could give us a little brief orientation on where the products go and you also have a sawmill, I believe, and that sawmill was shut down? As I recall, the sawmill was originally opened by a Portland firm, Alaska Wood Products, or something, from Portland and that was when they had, I think, the Southeast divided into, theoretically, four pulp mill blocks. One was going to go in Juneau, Berners Bay, and I think Champion—U.S. Plywood and Champion got the timber sale and that was going to be Admiralty Island that they were going to cut. That was cancelled; there was a lot of opposition against it, and as a consequence of that, the pulp mill block never came into reality. There is Ketchikan, Sitka, the question of Wrangell and that was not developed, I gather. The market was down; there was not enough timber. And so, to stimulate the economy of Wrangell between 1962 and 1966 there was an effort made to stimulate some sawmills. They always had a small sawmill, and then it went broke. It was up and down, and you folks came in, and then what happened? It went broke, too?

Mr. **Roppel**. There has been a sawmill operation in Wrangell for many years. The current sawmill that is now operating there was completely rebuilt in 1980. It is the old sawmill that belonged to Pacific Northern Timber, the Portland firm that you spoke of. The operation shut down, and I believe Alaska Pulp bought that operation and they already owned another mill in Wrangell. They eventually junked out the older of the two and rebuilt the current mill at a cost of about $21 million, and that one was set up to sell surface lumber into the export market because we saw a need for that type of product going in that direction. The mill currently employees a little over 200 people working on a two-shift basis for about the last three years.

We had the mill leased out to an independent operator, and about six to eight months ago, he came to us and said that he was no longer confident that he could get his timber supplies. And then the money was going to run out, and he could not stand the financial risk. He wanted to know if we would take the lease back. So, at that point, we did take the lease back and he is now operating on a contract offer.

Last fall we had cut all of the timber that was available to us. There has been a question of backlog, and to us that means timber that is available and ready to harvest. Some of the timber that the forester said was to be harvested was tied up in lawsuits and could not be released to us, and so we just ran out of timber. There were not adequate supplies. The mill should be starting up on a one-shift basis and will run that way until we get an adequate timber supply to operate the two shifts. The products from that plant are now about 75 percent finished products that go directly into the housing market and about 90 percent of those products go to Japan in the form of 4 by 4s or cutting bridges for the musical instrument firms primarily.

Senator **Murkowski**. That represents a change in the exports obtained from the sawmill?

Mr. **Roppel**. The export industry to Japan started in about 1965. First, they did not want the finished lumber because they had a large lumber industry of their own in Japan. The sawmill industry there, more than 22,000 sawmills at that time, preferred to cut logs. They could not get the logs and so they cut the next best thing, which were switches or cants. With the change of the dollar in relationship to other currencies, it is now cost effective for home builders in Japan to buy finished lumber, as opposed to rough cut wood, and the trend will continue that way. The Japanese yen keeps getting stronger against our currency and, as a matter of fact, now I think, and I saw a remark not long ago, in October, that the average Japanese wage earner had surpassed that of the American wage earner. There have been a lot of changes. As far as the products from Alaska Pulp, we produce basically textile rate pulp that goes into the manufacture of non woven textiles, rayon, cellophane. We supply about 55 to 60 percent of that product out of this plant, and it goes to Japan. We also sell significant quantities to Korea, China, Mexico, Taiwan, and we have a substantial customer in the United States in Virginia that uses our product to make carbonized fiber for the space industry. I think we are the only U.S. supplier of the raw material for that particular plant. They do buy some material from Canada.

Senator **Murkowski**. That is very interesting. This pulp then, rayon type pulp, lends itself to installation on the space re-entry vehicles?

Mr. **Roppel**. They use it for the rocket motors as an insulative material. I am not sure that information as to exactly how it is used is public information. It has been used for quite some time. We are told that every time a space shuttle goes up it takes about 20,000 pounds of pulp to make the carbonized fiber for that particular shot.

Senator **Murkowski**. And so some of that pulp goes from Sitka to Virginia?

Mr. **Roppel**. Yes.

Senator **Murkowski**. It goes from Sitka to Virginia, by water first to Seattle and then by rail to Virginia.

And how much volume might that be?

Mr. **Roppel**. Right now we are shipping about 10,000 pounds.

Senator **Murkowski**. Thank you. Senator Wirth and I had a question that maybe you can answer. You made reference to an inadequate timber supply, and our dilemma is the realization that the Forest Service is directed to make available up to 4.5 per decade or 450 million each year. And we see from 1978 to 1989, over that 10-year period, approximately 3.7 billion board feet was cut, as compared to 4.5, which was mandated. And you said there was a shortage of timber, and we go through the years—and I do not have to repeat it—but in years like 1983 there were only 251 million instead of 450 million. It seems like they would have been building up an excess each year of timber that they were required to have available and that was not used, and that excess would carry over. So, I have done figures on the difference between what they were supposed to cut and what was actually cut. Over a 10-year period, there is nearly 800 million board feet that would be surplus. Now, I do not understand how you can say that you were out of timber, when it shows that they have cut less than 450 during that period. And where is the surplus?

Mr. ROPPEL. In order to understand the supply and demand in the Tongass you have to understand that it is not just the Forest Service timber in the last few years, particularly since 1980. It has been the whole supply to the dependent industries. Since 1980 corporations have started their operations and have been harvesting anywhere from 200 to close to 400 million feet a year. About 75 percent of that wood goes into the export market in the form of round logs. There are no export restrictions on their logs, just as there are none for private owners in the Northwest or any part of the United States.

The pulp component, or low-rate component of that wood, has been going into dependent industries. I would say that probably 90 percent of that has been purchased by either Ketchikan or by the Sitka mill. At one point, in 1985 and 1986, they supplied roughly 35 percent of our makeup required for wood chips. So, that is an element.

The contract has built up a backlog of contractual obligation. However, the timber backlog is on paper; it is not available for us to cut because the Forest Service, even though it shows it to be timber that may have been sold or in the sale program, the necessary sale work or the environmental impact statement work and the sale preparation work that lets it go or whatever, has not been done. So, that timber may be known as a backlog and unsold or available, but it is not available to us until all of that work is done. That is the case with the short fall that we see now.

Senator MURKOWSKI. The suitability requirements that have been brought up, the reason for waiving it in the national forest, National Practices Act, do you know that?

Mr. ROPPEL. I am unaware. I know that is a matter that the Forest Service can answer. Senator, I am just not aware of the reason for that.

Senator MURKOWSKI. Lastly, and maybe I will ask a question my colleague would have asked, but from your perspective, why has Congress supplied a permanent appropriation of $40 million and a 4.5 billion board feet per decade availability of timber supply, making the Tongass obviously different than other national forests. Why should the Tongass be different?

Mr. Roppel. Well, as far as I know, the two pulp mills in Alaska are the only pulp mills that have to rely 100 percent on national forest timber for their makeup, and certainly on the West Coast. Our competitors in Washington, as an example, in the Olympic Peninsula, have about 30 percent of their makeup from state timber sales, from Federal timber sales, and from private. And many of those companies own their own private timber lands to make up their requirements. I think the Tongass is about the only forest that I know that has a 40 percent pulp component.

Senator Murkowski. What does that mean?

Mr. Roppel. The wood has no other economic use except pulp chips. The trees are old, decayed, half rotten. The requirements are that we take the log that has a very high percentage of rot in it. A private land owner probably could not do that because it does not have the economics. The Forest Service requires that is a part of its total utilization program.

So, the Tongass has a very high component of decaying wood suitable only for pulp. It is unique in that there are, or shortly will be, very limited other supplies, private land owner supplies as well. We have been fortunate in the last 10 years—it is a very down market—the native pulp wood came into the market and supplemented the national forest market. So, we see the Tongass as being unique in those respects.

Senator Murkowski. Is it safe to say that if the pulp mills shut down, those that had Forest Service timber contracts would still be required to take this 40 percent wood, out of the forest, that would not go into timber. And I assume that the alternative would be to simply chip product and export it out, which is really the exploitation of jobs

Mr. Roppel. I do not believe the Forest Service would be allowed by the national policies to leave salable wood or usable wood in forests. I think they would be required to take out that low-grade component, and you would have to burn it or chip it. If you chipped it, you could probably set up some sort of a contract going to the export market. Two mills in Alaska now have that capability.

Senator Murkowski. Thank you, Mr. Chairman.

Senator Wirth. Mr. Burns?

Senator Burns. Mr. Roppel, you stated a little while ago that some of the timber was tied up in lawsuits. Can you give us the nature of those lawsuits, whether they are on appeal, or what is the nature of those?

Mr. Roppel. They are in both forms, Senator. We have—the Forest Service sets out timber the Environmental Impact Statement process. Their EIS was challenged, and I think Mr. Hanlon mentioned that earlier, that they successfully sued the Forest Service, and they did. The Forest Service was found to be inadequate and, therefore, holds were put on that timber until it was adequate and another Environmental Impact Statement could be prepared and released. And that is tied up. I am pretty sure that is the timber that we were anticipating operating on this past year.

Senator Burns. Let us kind of turn the other way. Do you have any inventory report, or what kind of supply do you have or do we have on logs that would be determined to go into conventional lumber and pulp supply on native lands? Do you know? Do you have any kind of an inventory figure of what is out there available to harvest?

Mr. ROPPEL. I can give it to you in relative terms. There were about 500,000 acres of timberland that was transferred to native corporations in Southeast Alaska, and they started receiving those lands in 1979. Some of the corporations have now cut through, roughly half of them, the timber allotments that they had received. Others, several others, will be finishing up the timber plan that they have in the next couple of years. The largest timber holder has a plan that I have heard, and I hope I will not be criticized for speaking, I have heard that their timber plan goes on for about another 10 or 12 years, but it is on a reduced basis, compared to what it was. Where it had been harvesting up to 400 million feet a year, that harvest will gradually then go down to about 100 million in the next couple of years. And then we will be back totally on a national forest supply at that time.

Senator BURNS. I have no further questions, Mr. Chairman.

Senator WIRTH. Thank you, Senator Burns.

I was struck by the large welcome party that met us yesterday at the airport, and I appreciated that warm Alaska welcome. I had an interesting time talking to a number of people, a number of the people that work for you. How many of the people that came work for your company, Mr. Roppel?

Mr. ROPPEL. I do not know. Probably half of them. I am guessing.

Senator WIRTH. And were the buses that brought them from the plant to the airport and then back again rented by you all?

Mr. ROPPEL. Yes.

Senator WIRTH. Were the people paid during the time they were at the airport?

Mr. ROPPEL. Some of them, and some were not.

Senator WIRTH. How were some paid and some not? Was it some were working at the time and others were off and not working and were not paid?

Mr. ROPPEL. That is correct. I just might answer that. I anticipated this question would be asked. I cannot imagine why it would not be. However, it is a policy at our factory that if you go serve on jury duty or have other public programs they do not suffer economic hardship because of that. Many of our people came to us and said that they wanted to participate, they wanted to express their views. Their views were very strong, they felt very strongly on them. We did not coerce or ask anybody, and those that wanted to went and those that did not stayed on at work.

Senator WIRTH. How many people that came out to the Airport are residents of Alaska? All of them?

Mr. ROPPEL. I would say probably right now outside of Alaska—we have a factory shut down right now by the way. They have been down for about a week doing maintenance work, and we have a total of about 190 contract people that are there. I understand that 147 of those are in-state hires and the balance came from out of state. So, there are probably 80 or 90, maybe, out-of-state employees that are working. How many of those came, I have no idea.

Senator WIRTH. Where are the in-state hires from?

Mr. ROPPEL. Well, from Sitka——

Senator **Wirth**. Do you get people from outside of Alaska because people are not available locally?

Mr. **Roppel**. Certain skills are not available. We have a very rigorous Alaska hire program, and I met two weeks ago with the Commission of Labor on this very issue.

Senator **Wirth**. Would you say, generally, that if there is anyone from Sitka or from Southeast Alaska who wants a job, they will get one?

Mr. **Roppel**. If they qualify. If they meet the requirements of the work that needs to be done.

Senator **Wirth**. And you have a contractual obligation with the Forest Service to do that?

Mr. **Roppel**. No.

Senator **Wirth**. To hire people from Alaska?

Mr. **Roppel**. No. We have an obligation in the contract to do what we can. That provision is in the contract. You know what it is; you have read it. And we have always been found to be in compliance with that issue.

Senator **Wirth**. That is Section 12(K), that insofar as it is practical to do so, labor for the conduct of logging operations of mills and manufacturing plants conducted under this contract, the purchaser's affiliate, subsidiary, or subcontractor will be recruited from residents of Southeast Alaska. That is that provision?

Mr. **Roppel**. That is the provision.

Senator **Wirth**. I was struck by that, and some of the people I was talking to yesterday, I asked where they were from. And a number of them were contract people who were not from Alaska. And, as you know, there is no reason why they cannot come out as well. They are U.S. citizens and have a perfect right to express themselves.

One of the areas I was concerned about as well, all of the discussions that have been made on the contract, in the legislation that I have proposed, I suggest that we ought to terminate those long-term contracts, as they do not exist in a forest anywhere else around the country. The Federal Government can terminate these contracts at any time, particularly if there is cause that the contract has been—that the conditions of the contract have not been met by the people on the other side.

You said in your opening statement, "We have faithfully performed our side of the contract." I have a variety of questions related to that. Information that was made available to all the members of the committee said, "In recent years the long-term contracts have been fraught with controversy. In 1981, Ketchikan Pulp and Alaska Pulp were convicted of anti-trust violations, including price fixing, collusive bidding, and forcing independent operators out of business." Is that true?

Mr. **Roppel**. That statement is true.

Senator **Wirth**. So, that was——

Mr. **Roppel**. That was a civil action, that was not a criminal action.

Senator **Wirth**. I did not suggest it was a criminal action. I just was wondering with regard to the contract being lived up to.

Second, we have available to us from the Department of Environmental Conservation an April 5 letter that was sent to George

Miller, the Chairman of our subcommittee on various compliance issues by Alaska Pulp. It says, one, "APC is not in compliance with the Clean Air Act or State Air Quality Control Regulations. The Bureau requires APC to achieve compliance by December, 1989." It goes on to say on water pollution, "APC is not in compliance with NPDES effluent and discharge requirements." On solid waste disposal, the Department says, "APC has two separate permits, and both have received notice of violation." On hazardous waste program, it says, "APC was issued a notice of violation on November 9, 1988 for being out of compliance with the state's hazardous waste regulations." That would raise issue, it seems to me, as to whether or not your side of the bargain has been kept. Are those accurate? Are those statements by the Department of Environmental Conservation, State of Alaska, accurate?

Mr. ROPPEL. You notice a violation is a charge. It needs to be proved. To the best of my knowledge, they have not been proved. The state took an air action and they said we were in violation and the Judge said the state was wrong. Interestingly enough, the Sierra Club Legal Defense recently joined it. And I understand after the Judge said the state was wrong about it, the state and the Sierra Club jointly decided to appeal that. The purpose of that cannot be to improve the environment; the purpose has got to be harassment.

Senator WIRTH. This is harassment by the State of Alaska?

Mr. ROPPEL. No, by the Sierra Club defense counsel.

Senator WIRTH. How did the State of Alaska then make these statements in a letter of April 5th?

Mr. ROPPEL. Well, we have a substantial amount of disagreement with these people over whether or not we are in compliance with our permits.

Senator WIRTH. For them to make a flat statement, is not in compliance, is not in compliance, is not in compliance, notices of violation, notices of violation, I raise the question as it relates to the other question of compliance with the contract, and I bring that up because the Federal Government can terminate a contract at any time and also is more likely to do so with cause. It has been suggested that there is significant cause for doing so.

Let me ask you a couple of economic questions, if I might. In your statement, you say or make a statement that the Wrangell mill has been closed, "The sawmill at Wrangell has been closed for three weeks this month because it cannot get enough logs." A good deal of data has been made available to the committee about the availability of timber to the Wrangell mill, and let me see if you think that this is correct.

The following statements were made, "The mill is not getting an insufficient timber supply. During the year 1988 APC harvested 94 million board feet of timber from their long-term timber sale, of which 50 million was supplied to the Wrangell sawmill." Second, "APC had the opportunity to purchase some amount of timber from two sources, i.e. from new short-term timber sales and from independent loggers having a backlog of 438 million board feet of uncut timber." Third, "There was a surplus of available Tongass timber last year. In fiscal year 1988, the Forest Service sold only 62 million board feet of 82 million of timber offered in short term timber sale. For this fiscal year, 170 million to 180 million board feet of timber is readily available from the APC long-term timber sale, free from ongoing litigation, and to date, 100 million board feet in short-term sales is fully prepared and ready for sale." Have you seen those previously?

Mr. ROPPEL. I do not agree with this. We cut all of the timber that was available to us last fall. The Forest Service does have timber sales that no one has bought, not ourselves or anyone else. Just because the Forest Service puts up a timber sale does not mean it is a viable timber sale, and if they were such good timber sales—other people were complaining and have complained to you about a shortage of timber who surely would have bought those sales themselves.

Senator WIRTH. And if the Forest Service goes to the bother of putting up timber sales and they are not viable timber sales—why does the Forest Service do that?

Mr. ROPPEL. That is a very good question. I suggest you ask them. We have asked the same question, and we cannot get a good answer.

Senator WIRTH. Is that not because they are driven by—going back over what we were discussing earlier this morning, the 450 million board feet per year or 4.5 billion per decade goal, that they were desperately trying to get to that number? Therefore, they were putting up a variety of timber for sale, some of which is not viable?

Mr. ROPPEL. I think that is a valid observation. When we first bid on the contract in 1957, there was over 1.1 billion foot annually. Now it has dwindled down, without the intensive forestry component, someplace about 350 million feet. It is not unreasonable that those people that heavily relied on being able to get faulty timber are not able to get the faulty timber that they used to. It just is not available for the Forest Service to put up. And so when they put up scratchy sales or poor sales or sales that are very expensive, people cannot afford to buy, but still they feel that they are satisfying their obligation of putting up timber for the dependent industry.

Senator WIRTH. Does that suggest anything to you about whether the 4.5 billion per decade ought to be changed?

Mr. ROPPEL. I think that what it suggests to me is that too much timber has been put out of the commercial availability of the Forest Service.

Senator WIRTH. Why is that?

Mr. ROPPEL. I think that too much timber has been taken out of the commercial component of harvest and put into wilderness areas and other non-commercial availability and what is left does not give the Forest Service adequate timber to work with.

Senator WIRTH. Well, We went through that analysis of after it has been put into wilderness and that which is commercially viable—well, we went through all of that this morning.

Mr. ROPPEL. I was here, but I do not necessarily agree with your analysis.

Senator WIRTH. Well, let me ask you—I will make sure that you get a copy of the Forest Service numbers. I would be happy to give you a copy of those, if I could see where it is that you do disagree with those numbers.

Mr. ROPPEL. Well, I will tell you off the top that Admiralty Island has close to one million acres of the best timber available and there may only be 80,000 acres, 50,000 board foot to the acre plus, but there are several hundred thousand acres over there that are very commercial timberland and it does not necessarily have to be a 50,000 board foot per acre. I think our timber sales for this last four or five years have been something on the average of around 29,000.

Senator WIRTH. The cutoff point the Forest Service uses is 30 for what is the high-grade, commercially most desirable timber.

Let me jump, if I might, to a couple of other points. Yesterday we heard from at least employees of the other company that disagreed with that company's policy and felt that there should be dramatic changes on the legislation. I thought that that was kind of remarkable that that kind of statement was made by those employees exercising their freedom of expression and freedom of speech, and I hope without fear of retaliation. Will Alaska Pulp provide the same opportunity to its employee groups to express themselves if they believe the policy that ought to be carried by the Federal Government was different from that espoused by management?

Mr. ROPPEL. You bet.

Senator WIRTH. Let me then—I hope that that is the case, and what I want to get to is your answer to the allegations made about the treatment of one of your employees who testified before the Congress in May of 1987. The Subcommittee on General Oversight Investigations of the Interior Committee, the House of Representatives, on September, 1988 said, "We conclude that the Alaska Pulp Corporation terminated Mr. Florian Sever in large part due to his Congressional testimony on May 19, 1987 on H.R. 1516, the Tongass Timber Reform Act." And then they went on to say, "The termination of Mr. Sever for his Congressional testimony constitutes the obstruction of proceedings before the Congressional Committee. The subcommittee will refer this matter to the Department of Justice for criminal prosecution." That information in part came from the testimony of a Mr. Kline, with whom you are familiar. He is the Industrial Relations and Personnel Manager for Alaska Pulp. The information available through the National Labor Relations Board interview said, "Kline also stated that he discharged Sever for damaging the image of product of the company which was one of the points that the employer wanted to add to the new contract when the parties met for negotiations in November. Kline states that obviously Sever had no interest in continuing to work for the company. Kline based this on testimony that Sever gave before the U.S. Senate Subcommittee on the Tongass Wilderness Bill and three letters to the editor, two of which were public."

Now, those are pretty serious allegations or serious statements, as you know. One of things that we want to do, agreed or not, is to make sure that there is consistent freedom of expression available to individuals, and that people can express themselves without fear of retaliation. And I know that those have all been made part of the record. I do not think that you all had the opportunity since then to respond to that, and I wanted to give you that opportunity now either here or in the record, because I think probably you all take it as seriously as we do and would like to respond to it.

Mr. ROPPEL. We would appreciate the opportunity to respond on that. You are aware perhaps—you read from the Majority Report to the Justice Department part of that information. You are also aware that the NLRB proceedings, from which some of this testimony was taken, came to a conclusion in which the Judge made a finding of fact that Mr. Sever was not fired because of his Congressional testimony. I will make sure that you get a copy of that. I think you will find it interesting reading.

Senator MURKOWSKI. I would ask that that be inserted in the record.

Senator WIRTH. Anything else you want to add on that?

Mr. ROPPEL. I think that because of the number of people that you have that are going to testify that you are going to find some of those people are currently employees who do not agree with how the management of this company views Tongass issues, and they are going to be treated like anyone else. We encourage people to make their views known.

Senator WIRTH. That is very important and very good and, as I said yesterday, I admire people who are willing to come forward at a controversial time and express their views. And that is thoroughly appropriate for citizens of this country.

Finally, let me ask you, would APC close its mill here if the long-term contract was cancelled?

Mr. ROPPEL. We testified at the House Interior Committee that it was our opinion that the cancellation of the long-term contract would result in a closure of the plant. We also testified that we are going to do everything in our power to keep the plant in operation. Just because the contract is cancelled does not mean that we are going to roll over and go away.

Our belief is that if this contract had been cancelled years ago, this plant would not be operating today. Without the collateral provided by the long-term timber contract, we would not have been put in the position to have the continued support of the financial institution from which we had to borrow the money in order to put in the $19 million worth of environmental equipment at our factory. Without putting that equipment in, in spite of what the state says, we would not be in compliance with the consent decrees and our agreements to put in certain anti-pollution facilities. I would also offer that as a pretty strong evidence of what we say is probably true.

Senator WIRTH. Is there a difference? Now, I asked you if the APC would close the mill if the long-term contract would be cancelled, and your response was if the long-term contracts are cancelled, it would result in the closure. Is there any difference between the meaning of those two statements?

Mr. ROPPEL. I think so. I think the meaning is that we are not going to voluntarily close up this plant if there is any way to keep it open, but if someone else puts us in a position where we can no longer continue to operate, it is not our decision to shut the plant down. I think there is a distinguishing difference between those two.

Senator WIRTH. I think I know what you are saying. As I understand you, if the bill were to cancel those long-term contracts, would terminate those long-term contracts, that you would not the next day close down the mill?

Mr. ROPPEL. That is correct.

Senator WIRTH. A final question. Do you expect that you will remain here after the 50-year contract runs out?

Mr. ROPPEL. Let us see, I am 52 years old. We have another 20 years to go. Whether I will be or are you speaking of the plant?

Senator WIRTH. APC.

Mr. ROPPEL. Well, I hope so, and we have not thought about that far down the road, but we have a good strong market for this now and they will still need paper products. I think so. I think we could renew our contract or do something different.

Senator WIRTH. Now, you operate under the standard kind of contract that the Forest Service makes in other forests, the five-year contracts. Why did you use a 50-year contract rather than a five-year contract on the Tongass?

Mr. ROPPEL. At the time that contract was made, no one would come into Alaska.

Senator WIRTH. We are looking at today.

Mr. ROPPEL. At today? We probably would not need a 50-year contract. You would probably not need one. You could probably build it with a 20-year, or 15-year, 25-year contract in a pulp mill.

Senator WIRTH. Why do you need a 15 to 25-year contract when every other contract on the national forests is five years to eight years?

Mr. ROPPEL. If you look at where new pulp mills are being built, they have an active timber supply. I can tell you that the track record of the timber availability on the Tongass leads me to believe that, without some sort of guaranteed contract, the Federal Government is not to be relied upon to supply that timber on a regular basis for as long as you need to pay off that mill. You are looking at a 20- to 25-year recovery in the pulp operation.

Senator WIRTH. When are you planning to replace this mill?

Mr. ROPPEL. Right now we have no total replacement plans in mind.

Senator WIRTH. When does it have to be replaced; what is a useful time of the plant?

Mr. ROPPEL. We have been putting as much as $4 million, to this year, as much as $22 million, $23 million a year into upgrading the plant as we go along. We keep it modern as we go, rather than shut down the workings of it and replace it. But if that is necessary, we will have to do that too.

Senator WIRTH. Mr. Roppel, thank you very much. You are a very good witness and you do a very good job explaining and advocating your position, and I appreciate it, as I am sure does the committee.

Now, any questions?

Senator MURKOWSKI. I just have a couple of follow-ups. If the contracts were cancelled, would you seek damage against the Federal Government for breach of contract?

Mr. ROPPEL. Yes.

Senator MURKOWSKI. And how does that process—well, you must have thought about it—how does it work? You have employees to take care of and consider.

Mr. ROPPEL. That is one part of it. The damage that we would have to seek would be the damages on the part of our corporation. I am not sure whether we can seek damages on the part of our employees. We do not think that we could seek damages on behalf of the community, other than where we were involved in a long-term contract with an obligation to supply a certain amount of funding. So, the damages that we would seek would be for those the company has, as it suffers financial damage as a result of the cancellation of the contract.

Senator WIRTH. In other words, if you have 15 years left, or 20 years, and you were making so much each year, theoretically you would go in to negotiate from that point, plus an appreciated value of your mill?

Mr. ROPPEL. Plus, yes.

Mr. MURKOWSKI. I wonder if we can get for the record, Senator Wirth, the losses the company has sustained, roughly, since they have been in business because it is my observation that the Japanese have a little different philosophic application due to an investment than some of the more direct U.S. investment policies, like corporations have where they lose money and they shut her off and walk away. Do you think you could give us a little reference on it as a result of the change while you stayed in business?

Mr. ROPPEL. The company had a history of on and off profitability from the time we started in 1960 until about 1979. 1979 was the last profitable year the company had until this year, until the year that just ended, and we will finish up this year with a modest profit. We suffered losses that were well over $40 million in two of the years that we operated. I think that was 1984, 1984, and 1985. I do not remember the exact year, but it was within that period we had losses. Most American corporations, in my experience, would have said, "Enough is enough," and shut down.

Senator WIRTH. Now, you indicated you had losses for 9 or 10 or 11 years?

Mr. ROPPEL. Since 1980 to 1988.

Senator MURKOWSKI. And how much did you lose during that period, roughly?

Mr. ROPPEL. In excess of $150 million.

Senator MURKOWSKI. Now, if you lost $150 million, Why did not you shut her down?

Mr. ROPPEL. That is a good question. I do not know. I would have, if it been my decision.

Senator MURKOWSKI. Obviously, for whatever it is worth, Mr. Chairman, it is an emotional interpretation, but I have heard some of the Japanese owners express an obligation to the people, not only in Southeast Alaska but, more appropriately, to this community. Just take that with a grain of salt, but I think it is appropriate because if you are running that corporation I am sure, in looking at losses of over $150 million in a 10-year period, you would decide to do something else with your time and money.

Thank you, Mr. Chairman.

Senator WIRTH. Who are the owners of the mill?

Mr. **Roppel**. We have 192 shareholders, but they listed 212 that participated in the construction of the plant. The largest shareholder has a little bit less than 7 percent of the issue which is held in spinning companies, all kinds of Japanese corporations, through trading companies. There are some banks involved. All kinds of Japanese—shipping companies.

Senator **Wirth**. And they are all losing money too?

Mr. **Roppel**. As far as I know, we have never paid any dividends. They made their investment and, as far as I know, they never received any dividends in return for them.

Senator **Wirth**. But, overall, all the companies are losing money?

Mr. **Roppel**. I have no idea of what their profitability is.

Senator **Wirth**. There is no possibility that we are seeing a little bit of an accounting operation in such a way that they are claiming this in terms of losses in money for tax situations or whatever, something like, of course, other corporations have never done?

Mr. **Roppel**. They have been in this Company now since 1957 or 1958 and I am sure if they were taking losses on their investment, they would have long since written them off. There are no taxes due. They have a corporate accounting the same as the United States.

Senator **Wirth**. If they are losing this much money, why are they continuing this operation?

Mr. **Roppel**. Well, I think they have the philosophy that they started the corporation and they do not walk away as easily as other people do.

Senator **Wirth**. Well, thank you very much. I appreciate very much your being with us, and, Ms. Brown, and all, thank you very much.

Our final panel today, if they come and join us, we would appreciate it. Dixie Baade, Lee Schmidt, Alice Johnstone, Margaret Calvin, K. J. Metcalf and Florian Sever. Thank you all. You are familiar with our rules.

Mr. Baade.

## STATEMENT OF DIXIE BAADE

Ms. **Baade**. Senator Wirth and members of the committee, I am Dixie Baade. I am a resident of Kupreanof, Alaska, a small community off of the coast of Petersburg, Alaska.

I came to Southeast Alaska in 1944 to work for the Territorial Department of Health. My background is in public health laboratories. I operated a laboratory in Ketchikan for 17½ years.

I am one of the founders of SEACC. I became involved in conservation after I saw the devastation that occurred from the pulp mill operations.

Some are led to believe that the pressure for reform is coming from outside Alaska. I can assure you that it comes from those of us who live here and have seen firsthand what is happening to our land. We do welcome the help we are getting from outside.

Senator Murkowski's bill fails to address the problems of management of the Tongass. It considers the 4.5 billion board feet of timber logging. It fails to protect key fish and wildlife habitat, and it does not deal with the problems of the 50-year contracts.

As evidence of how the pulp mills put the independent sawmills, the independent loggers, out of business, I submitted for the record a copy of the Reid Brothers timber sale lawsuit brief. No one cried when these people were put out of business. Among those was the Ketchikan Spruce Mill which produced dimension, kiln dried lumber, supplied throughout all of Alaska.

I thank you Senator Wirth for introducing your Tongass reform bill. I support the repeal of the 4.5 billion board feet per decade harvest, along with the $40 million a year of subsidy. I support cancellation of the 50-year contracts. Your bill does need to be strengthened to give permanent protection to areas listed in the bill. The Forest Service will not protect these areas.

I have just a few areas that I wanted to mention. The Yakatuat Forelands is, I think, an area unique in Southeast Alaska.

There are two wilderness areas that I think should be expanded, one is the Petersburg Creek-Duncan Canal, two areas that are listed in your bill and were in the original proposal. The other one is Tebenkof Wilderness and, if we do not get the additions to that wilderness area, it is just a large body of water surrounded by a little, narrow fringe of land.

The Naha River was our favorite steelhead stream, and my husband's ashes are there. I would like to see it as wilderness.

I have tried to work within the system, and it has been a waste of time. I have read hundreds and responded to hundreds of Environmental Impact Statements. I filed appeals.

Thank you for this time.

[The prepared statement of Ms. Baade follows:]

Senator Tim Wirth and members of the committee:

I am Dixie Baade, a resident of Kupreanof Alaska, one of the communities supporting Senator Wirth's Tongass Timber Reform bill.

I came to Southeast Alaska in 1944 to work for the Territorial Department of Health. My background is in Public Health Laboratory. Although I have been a member of the Sierra Club for over 50 years, I was not involved in conservation until I saw the devastation resulting from pulp mill operations. I am one of the founders of SEACC (the Southeast Alaska Conservation Council). We formed first as volunteers to coordinate the activities of, as I remember, 5 local groups. It became obvious that volunteers could not handle the work involved and we re-formed and hired a staff. SEACC now includes 13 local groups.

There are those who would have you believe that the pressure for reform is coming from outside Alaska. I can assure you that it is from those of us who live here and have seen first hand what is happening to our land.

Senator Murkowski's bill fails to address the problems of management. Other than ridding us of the scandalous waste of Federal money, it does nothing to correct the serious overcutting, the lack of protection for fish and wildlife habitat or the problems caused by the 50 year contracts.

We do not have Multiple Use. All other resources are subordinate to timber. When the Forest Service considers it has a mandate to cut 4.5 billion board feet per decade, this amount will be offered regardless of the damage to other resources.

The Tongass is not only being managed for timber production, it is managed for the two pulp mills. It is critical that the 50 year contracts be terminated. With these in place there is no potential for a future timber industry. The high volume old growth will soon be gone and nothing left but marginal stands. The Forest is being high-graded and there is little potential for a second growth industry in Alaska.

When the pulp mills came in, the Forest Service estimated the rotation period at 50 years; at the end of the contract period there would be stands of merchantable timber. Now the rotation period is estimated at between 100 to 120 years and even this is optimistic.

The pulp mills long ago violated the terms of their contracts and they should have been cancelled at the time of the Reid Brothers timber sale lawsuit decision. I submit this copy of the lawsuit brief and ask that it be made a part of the hearing record. It is interesting reading and describes just what these companys did to put independent mills and loggers out of business.

I support Senator Wirth's Tongass Timber Reform bill. Only congressional action will reform management of the Tongass forest. Repeal of what is interpreted as a mandate to cut 4.5 billion board feet per decade is necessary along with the 40 million dollar a year subsidy. The 50 year contracts should be terminated and permanent protection given our key fish and wildlife habitat.

I have tried to work within the system. I have read and responded to hundreds of Environmental Impact statements. I have filed administrative appeals. I participated in a Citizens group during the Southeast Area Guide planning process. My cautious optimism at the end of what was a positive experience was short lived. Few of the protective provisions of the Guide were ever implemented and in 1983 it was replaced by the Alaska Regional Guide, probably the worst Forest Service document I have ever reviewed. I do not expect anything better from the revision of the Tongass Land Use Plan. Congress should not wait for this to be completed before enacting reform legislation.

3.

Senator Wirth's bill needs strengthening to give permanent protection to the key fish and wildlife habitat areas listed in the bill. I consider these the absolute minimum. Where wilderness is not desired, we need a congressionally designated protective land classification. The Forest Service is not going to protect these areas.

I feel strongly the need to protect the Yakutat Forelands. This is an area unique in southeast Alaska.

Protection of Castle River, Salt Chuck and Towers Arm are needed to round out the Petersburg Creek-Duncan Canal Wilderness Area. They were included in the original wilderness area proposal.

Another wilderness area that needs rounding out is that of Tebenkof. Port Malmsbury, Affleck Canal, Port Beauchere, Table Bay and Bay of Pillers need to be included. Otherwise we have just a large body of water surrounded by a narrow border of land.

There is so little left of Prince of Wales Island that it is surely not asking too much that areas such as Calder/Holbrook, Shakan Bay, Sarkar Lakes, Karta River and Kegan Lake be given protection.

The Naha River was our favorite steelhead stream and my husband's ashes are there. Obviously it is a very special place for me. It should be wilderness.

By not mentioning all of the 23 special areas in the bill, I do not imply that they are less deserving of protection than my own special areas.

One final comment. I do feel that those of us wanting reform of the Tongass are up against a stacked deck. I understand the pulp mills submitted hundreds of applications at the last minute. This gave few in a community such as Petersburg a chance to be heard. This is basically a fishing town and the fishermen have a large stake in the future of the salmon spawning streams of the Tongass. In the dry summer of 1987 there was an estimated kill of over 10,000 pink salmon in Staney Creek on Prince of Wales Island. We do not need more salmon streams damaged by clearcutting.

I also question the selection of the 2 pulp mill towns as the location for the hearings. To have chosen just one of the mill towns along with Juneau would have given a more representative cross section of the southeast public a chance to be heard.

That said, I want to thank the Senators for my own opportunity to be heard and ask that this statement be included in the hearing record.

Senator WIRTH. Thank you very much, Ms. Baade.

## STATEMENT OF FLORIAN SEVER

Mr. SEVER. My name is Florian Sever. I am here today to speak in favor of Senator Wirth's bill, S. 346. I would add that the moratorium areas in the bill should, and must, be strengthened to the "wilderness" designation. The old growth rain forest is too rare to squander on the production of dissolving pulp.

I was an employee of Alaska Pulp Corporation, a company owned entirely by the Japanese. During the 1986 strike in Sitka, I was a union negotiator. The 273 members of my union were permanently replaced, and my union was decertified after a 10-month struggle. I would like to submit a letter from my union in support of S. 346 for the record.

A National Labor Relations Board Judge has ruled that we were unfairly treated at the hands of APC, and that APC had committed many unlawful, discriminatory acts against us. I would like to submit this NLRB ruling for the record, along with this statement.

The essence of the 50-year APC contract was to provide jobs for Southeast Alaskans, as illustrated in Section 12(k) of the contract, not to give a quick cash windfall to out-of-state interlopers, opportunists or scabs. The facts point to the charge that APC is the first, and foremost, violator of the 50-year long-term contracts.

The 50-year contracts must be revoked if fair play and justice are to return to the work place. Not only did the permanent replacements take our jobs at the APC mill, their families have occupied the majority of the remaining jobs that were available outside of the confines of the mill. Many strikers and their families have been forced to move away. This is contrary to the original intent behind the contracts.

I was fired by APC for publicly speaking out against these very excesses. On May 19, 1987, I testified before the United States House of Representatives concerning the terrible conditions that the workers had to endure before, during, and after the strike and APC's blatant disregard for the environment. I believe this to be a violation of my civil, and human, rights by a foreign-owned corporation.

I have also been fired from a subsequent job with an APC subcontractor because I continued to testify before Congress in favor of the Tongass Timber Reform Act and to speak out publicly against APC's unlawful, discriminatory labor practices and the continued pollution of the environment.

Notwithstanding excellent qualifications and good job recommendations, APC has conspired with others to "black list" me to the point where I cannot obtain any kind of employment, not even as a part-time dog catcher for the City of Sitka, even though I was the only person who applied for that position.

These actions against me, and other working men and women, have served only to further strengthen my resolve to stand up for the cause of justice that is so sorely lacking in the Tongass, and, indeed, throughout the State of Alaska.

I have formed a nonprofit, tax-exempt organization, the Foundation for the Protection of the Common People, my goal being to protect the civil and human rights of the common people, to conduct testing for toxic pollutants and to initiate appropriate action. The common people need much but only ask for fair representation.

Senator WIRTH. Mr. Sever, we are at the three-minute mark here. We will include your statement in full in the record.

[The prepared statement of Mr. Sever and other materials referred to follow:]

# STATEMENT
# of
# FLORIAN SEVER
# before the

# SENATE ENERGY COMMITTEE

# SUBCOMMITTEE on PUBLIC LANDS, NATIONAL PARKS and FORESTS

April 25, 1989

Mr. Chairman and Members of the Subcommittee:

My name is Florian Sever. I am here today to speak in favor of Senator Wirth's bill, S. 346. I would add that the "moratorium areas" in S. 346 should, and must, be strengthened to the "Wilderness" designation...the "Old Growth" rainforest is too rare to squander on the production of rayon and tissue paper. The Japanese will only demand more and more of the "Old Growth" to sate their ever expanding lust for profit.

I was an employee of Alaska Pulp Corporation, a company owned entirely by the Japanese. During the 1986 strike in Sitka, I was a Union negotiator. The members of my union were permanently replaced and my union was decertified. I would like to submit a letter from my union in support of S.346 for the record.

A National Labor Relations Board Judge has ruled that we were unfairly treated at the hands of APC, and that APC had committed many unlawful, discriminatory acts against us. I would like to submit this NLRB ruling for the record, along with this statement.

The essence of the 50-year APC contract was to provide jobs for Southeast Alaskans, as illustrated in Section 12K of the contract; not to give a quick cash windfall to "out-of state" interlopers, opportunists or scabs. The facts point to the charge that APC is the first, and foremost, violator of the 50-year federal contracts.

The 50-year contracts must be revoked if fair play and justice is to return to the workplace. Not only did the permanent replacements take our jobs at the APC mill, their families have occupied the majority of the remaining jobs that were available outside of the confines of the mill. Many strikers and their families have been forced to move away.

I was fired by APC for publicly speaking out against these very excesses. On May 19, 1987, I testified before the

United States House of Representatives concerning the terrible conditions that the workers had to endure before, during and after the strike and APC's blatant disregard for the environment. I believe this to be a violation of my civil, and human, rights by a foreign-owned corporation.

I have also been fired from a subsequent job with an APC subcontractor, because I continued to testify before Congress in favor of the Tongass Timber Reform Act, and to speak out publicly against APC's unlawful, discriminatory labor practices and their continued pollution of the environment.

Notwithstanding excellent qualifications, an exemplary work record and good job recommendations, APC has conspired with others to "black-list" me to the point where I cannot obtain any kind of employment, not even as a part-time dogcatcher for the City of Sitka, even though I was the only person who applied for that position.

These actions against me, and other working men and women, have served only to further strengthen my resolve to stand up for the cause of justice that is so sorely lacking in the Tongass, and indeed, throughout the State of Alaska.

I have formed a nonprofit, tax-exempt organization, **"The Foundation for the Protection of the Common People"**, my goal being to protect the civil and human rights of the common people, to conduct testing for toxic pollutants, and to initiate appropriate action. The common people need much, but ask only for fair representation.

The Tongass Timber Reform Act represents salvation for the Tongass. I request that the Committee fully support S.346, along with the designation of "wilderness" for the 23 key areas.

In closing I would like to say that in the name of the Foundation for the Protection of the Common People, I protest the violation of the ground rules set up for the selection of speakers before this Subcommittee, by Alaska Pulp Corporation and others. This appears to be a corrupt attempt to subvert the Congressional process and may very well sink to the level of "obstruction of proceedings" under 18 U.S.C. §1505.

Thank you,

Florian Sever

Florian Sever

**UNITED PAPERWORKERS INTERNATIONAL UNION**
LOCAL NO. 962 P.O. BOX 804 SITKA, AK 99835

April 15, 1989

The Honorable Timothy Wirth
Senate Energy Committee
Subcommittee on Public Lands, National Parks and Forests

Dear Senator Wirth:

On behalf of Local 962, of the United Paperworkers International Union, I would like to express my gratitude to you for your sponsorship of S.346. We are strongly in favor of your bill and commend you for the foresight that you have displayed. The timber industry within the Tongass is in dire need of reform. Alaska Pulp's unjust treatment of the members of Local 962 is a living monument to the abuses that the timber industry is capable of perpetrating against those who would stand up and speak out against their corporate greed.

Alaska Pulp Corporation has committed many unfair labor practices against us, but our will remains strong. We do not despair. What was done to us will be repaid, tenfold. The 50-year contracts have no place or justification in the modern age. They are simply dinosaurs looking for a place to lay down and die. Logic and fairness cry out for their revocation.

America must soon come to the realization that what is left of her resources, she must treasure. Wilderness is the core of the Tongass. Without it, all of the other resource oriented industries will have a finite lifespan. The 23 key areas must be put into "Wilderness" designation if the Tongass is to ultimately sustain itself.

Again, I commend and congratulate you for your vision and moral conviction regarding your stance on the issues concerning the Tongass.

Please enter this letter into the record of the Subcommittee hearing to be held in Sitka, Alaska, on April 25, 1989.

Thank you,

Jesse Jones

Jesse Jones, President

## STATEMENT OF LEE SCHMIDT

Mr. SCHMIDT. I am Lee Schmidt. I have lived in Alaska 21 years, with almost 18 of them in Sitka.

Obviously, I support your bill, Senator Wirth, and my written comments are available, but I would like to just go ahead and talk off-the-cuff.

I was on the plane yesterday when members of the committee's supporting staff got on, and it was interesting to me to observe the various people's reactions as they looked out the window and saw some of the Southeast. Even though I have made the trip many times, it still always floors me. And yesterday was an extraordinary beautiful day, with the opportunity to see things which normally people do not see because of the rain, the clouds and the fog. Right before us was part of the Tongass and, of course, this is the national forest that we in this panel so well identify with.

I support portions of your bill because it does look at public benefit to the forest and causes it to be recognized as a national forest rather than as a backyard tree farm.

You were able to see the mountains and the ice and the snow, but what you were not able to see the real center of controversy, which is the river valley. That is where the trees grow. That is where the wildlife is and where the fishing streams are. There are very few fish up on top of the mountains, but that is obviously where people enjoy going also. So, I hope to have an opportunity to get in a boat and tramp in the forest and see something of our area.

We talked a lot about the acres as if that was the magic but the magic is the ecosystems, the systems that surround that river bottom that follows up into the slopes of the mountains.

Yesterday's approach to Sitka was particularly beautiful, and part of it, of course, was because the mill had no smoke, although much of it was due to the weather. This morning from my house I watched eagles diving, and yesterday I was in an urban city dodging smog and working around cars. The contrast is overwhelming.

In fact, you probably had that same kind of feeling as you looked out the window. Alaska is special, and the Southeast is especially so.

In my written comments I have suggested to the committee some yardsticks to evaluate some of the comments. One of them, I think, is to ask what we are doing right. It is not a play upon words but now enters the center stage in the national arena in the context of judging actions against the standard. Is it ethically good, not expediently convenient? I hope the committee is able to use that standard. I think that Senator Wirth's bill does.

Thank you.

[The prepared statement of Mr. Schmidt follows:]

Testimony Tongass Timber Reform Act
Senate Field Hearings
Sitka, Alaska April 25, 1989

Lee Schmidt
Box 1110
Sitka, Alaska

Members of the Senate Panel, Staff, Guests, and Fellow Alaskans

I am a 21 year resident of Alaska, with almost 18 years in Sitka. That does not mean that my comments are any more valid than people who live in another state, or less valid than people who were born here. It merely establishes that my perspictives are based on changes I have observed in the Tongass over the past two decades.

I appreciate the opportunity to testify before this Committee and wish you stamina in listening to many hours of concerned people; it will be a physical challenge just to listen. I know that you are sincere in trying to go beyond the words to reach a judgement on what to recommend to your Senate colleagues about the Tongass. You will need some yardsticks in evaluating the comments; I have several to suggest.

1. Try to deetermine the motivation of the speaker. Is she or he testifying out of personal convictions and knowledge - or is there an element of publicity seeking; what about financial gain to the testifier. A gross test is whether the speaker is being payed to be here or whether he or she is paying. Obviously, the person who is here on his or her own time or who has payed to travel here demonstrates strong motivation. It might therefor be more compelling testimony.

2. Another yardstick is the ethical right. We have recently raised ethical conduct to the national center stage: the old fashioned question "but is it right?" is being asked more frequently. We are pushing for an ehtic that goes beyond the hollow statement -"we did no technical wrong that anyone could discover." It is critical to use that yardstick: Does the action recommended by the speaker resonate with what you as a public servant know to be right - right, in the sense of ethically good, not expediently convenient

3. A third yardstick is whether there is public gain or personal gain involved. At the crassest level this could be considered as simply an argument over who is making money out of the Tongass. Many, many comments today are made at this level: some people claim that they have a personal right to Tongass timber so that they have a job, others that they have a personal right to salmon streams so they can harvest fish, and others that they have a personal right to undisturbed habitat so they can guide paying customers who want a bear trophy or a secluded lodge experience.

I am not saying it is wrong to consider personal economics, but I urge the Committee to acknowledge it when it appears, and then progress beyond that to a yardstick that measures a societal economic benefit. As national statesmen you want to hear people recommend changes that benefit many citizens: if it is not possible to benefit all Americans, then at least far, far more than the few thousands who live in Southeast Alaska. Statesmen who make laws for all Americans, who have as many constituents in a few square blocks of concentrated urban high-rises as live in all of Southeast Alaska, are going to be suspicous of policies that seek to manage America's largest National Forest as a private backyard for two Mills. It is logical and reasonable for the Committee members to ask, "How are the citizens of my State benefitted by today's decisions about the Tongass National Forest?" Testimony that addresses a benefit for the general public should therefor receive special attention.

By using these three yardsticks - what is the speaker's personal motivation; do the comments meet an ethical standard for what is right; and what is the benefit to the general public - the Committee can more effectively deal with the larger issues, which tend to become obscured during an intense parochial field hearing.

Persons on this panel represent SEACC - the Southeast Alaska Conservation Council - certainly ther most visible Southeast Alaska organization advocating management changes in the Tongass. It is both an organization of general members, and a coalition of environmental, fishing and community groups.

For many years SEACC has held the point position for habitat protection, wilderness designation, and logging practices improvement in the Tongass Forest.

During my eighteeen years in Sitka, I have seen an evolution in people's thinking. Twenty years ago people accepted, with little challenge, that the best thin for SE Alaska was to enter into long term Mill contracts and clear cut all marketable timber. No long range thinking was done. Little thought was given to how these contracts would effect the resource base that fishermen, recreationists, hunters and tourists use. No thought was given to the ehtical issue of whether we have a moral obligation to protect ecosystems inorder to maintain species, or to preserve old growth forests as part of the herritage for our children and grandchildren.

Today there are hundreds of people testifying that the management direction of the Tongass must be changed. Even the most vigorous timber harvest advocate sees the handwriting on the wall. Why else would Senator Murkowski have changed his own position in the past year and introduced corrective legislation? That monumental change is compelling evidence that the conservationists were right; the open minded person will listen carefully to their recommendations for additional corrective action.

Many citizens and even some local governments have recognized that the mandatory annual cut is too much, that the Forest Service single-use timber sales must be made economically viable, that the subsidy must be abolished, and that the monopolistic contracts for two favored Mills are untenable. These existing conditions do not meet the yardsticks of ethically right nor general public benefit.

In addition to addressing these negatives, the Tongass Timber Reform Act highlights protection of selected areas - areas of particularly rich fisheries or wildlife habitat, areas of particular esthetic pleasure, and areas of high wilderness recreation value. There is much more to the Tongass than being a tree farm for two Mills.

Senate Bill 346 meets the yardstick of public benefit by protecting ecosystems for multiple uses instead of single use logging; it meets the standard of an ethical good by eliminating special financial benefits for the Mills.

I favor the reforms in Senate Bill 346, sponsored by Senator Wirth; I urge permanent protection - through wilderness designation - of the 23 areas proposed for study.

Thank you for accepting my comments into the hearing record.

Lee M. Schmidt

Lee M. Schmidt

Senator WIRTH. Thank you, Mr. Schmidt.

### STATEMENT OF ALICE JOHNSTONE

Ms. JOHNSTONE. Good afternoon, Mr. Chairman and committee members.

My name is Alice Johnstone. I am a retired businesswoman and an elected member of the Sitka City and Borough Assembly. I have lived here in Sitka for 47 years. My husband and I raised our family here and intend to spend the rest of our lives here. Sitka is our home.

Senator Wirth, I heartily support your bill, the Tongass Reform Act, S.346. Management reform is long overdue in the Tongass. I would, however, ask you to make one significant change in your bill. Please amend it to provide wilderness protection for the 23 areas identified by the Forest Service, the Alaska Department of Fish and Game, rural communities, commercial fishing groups, conservation organizations and Sealaska Native Corporation as having high values for fish, wildlife, recreation, tourism and subsistence use.

Senators, if this bill is passed by Congress, Alaska Pulp Company claims that they will no longer be able to afford to continue to produce pulp.

They tell their employees that they will lose their jobs. In short, they threaten to close their doors and go away. With a knee jerk reaction, the Sitka Chamber of Commerce takes up the cry. They devote their weekly programs to testimonies by local persons expounding on the impact mill closure would have on the community. Ads supporting APC appear in the paper, on TV and radio. Petitions are circulated. Soon the whole city is in an emotional turmoil.

Gentlemen, for more than 30 years this company has been "crying wolf" every time they have been requested to comply with a regulation or law that is unpopular with them. However, they are still operating. In 1988 the company produced more pulp than they have since 1981. I understand this was also one of those rare years when they admittedly produced a profit.

Alaska has, for all of the years since it was discovered by the Russians, been abused by industry. The major theme has been "get in, get all you can, and get out." History is repeating itself in the Tongass Forest. According to figures that I got from the Forest Service yesterday, APC pays $2.26 per 1,000 board feet of Sitka Spruce sawlogs. That works out to only $45 for the same magnificent eight foot diameter tree that costs Ketchikan Pulp Company $5,000. The timber industry is high grading the forest for greater profits. Half of the high quality timber is already gone and the other half is scheduled to be cut in the remaining years of the timber contracts.

I request you approve the Tongass Timber Reform Act, S. 346, amended to provide wilderness protection of the 23 crucial habitat areas.

Thank you for your attention to my comments.

Senator WIRTH. Thank you, Ms. Johnstone.

## STATEMENT OF MARGARET CALVIN

Ms. CALVIN. Mr. Chairman, my name is Margaret Calvin, and since I have lived in Sitka since 1947, I have seen its growth and subsequent changes, some for the better and some I am not so sure about.

For over 20 of those 40 odd years that I have lived here I was involved in the municipal government, 15 years as a City Clerk of the City of Sitka, a one-person position that included financial matters as well as those of a municipal clerk. With unification of the City and Borough, I became first the Finance Director and later Comptroller for a total of six years.

Early in my career with the municipality, the pulp mill was built and the town doubled in size. We lost some of our small town uniqueness, but we gained in many respects, one of which was the Blue Lake Dam Joint Venture, which brought hydroelectric power to the town and a water supply to the mill.

An able city administrator in following years expanded our economic base so that Sitka would not be a one-industry town, and he was successful to a large extent.

In 1972 I married Jack Calvin, an early ardent and active conservationist, who brought out the latent conservationist in me. Can a person involved in municipal finance in a mill town also be a conservationist without having a split personality? I believe the answer is yes, since I have never had to seek psychiatric help and am here to advocate that a healthy forest industry and wilderness conservation can live and prosper together.

Jack and I did a lot of boating for pleasure in Southeast Alaska and, in addition, for many years conducted charter trips to Chichagof Island and Glacier Bay. When it comes to scenic areas, familiarity does not breed contempt. On the contrary, it makes those areas all the more valuable and dear to you.

I think you can tell from the foregoing that I am not an advocate of legislation that would close the APC mill in Sitka, because it is important to the economic base of our community. On the other hand, I believe the Tongass should be managed in a sound economic manner and at the same time having the areas Wilderness character in general and certain areas in perpetuity for the enjoyment of future generations.

I believe that achievement of both of these goals is possible in the Tongass through appropriate legislation and judicious management. How best to achieve this? With all due respect to our senator from Alaska, S. 237, the Murkowski bill, is not what is needed. Granted it repeals the $40 million automatic appropriation, but otherwise it perpetuates extensive and expensive mismanagement of the Tongass and continues to waste precious public assets.

On the other hand, S. 346, the Wirth bill—and we thank you for introducing it—by eliminating not only the $40 million annual allotment but also the 450 million board foot allowable cut and by cancelling the 50-year contracts would provide for competition in the industry. Just as Russia is recently discovering, such competition would strengthen the logging industry in the long run. It would allow for normal management flexibility for land allocations.

Lastly, a moratorium on logging in areas with exceptional fish, wildlife, recreation and scientific values would protect the biological integrity of the Tongass and give the public a chance to be heard. I am personally very familiar with two of these areas, Chichagof and Rocky Pass, and if the other 21 are similar, they are worth every effort to give them a chance to survive unaltered.

In summary, Senator Wirth's bill, S. 346, would accomplish the goals of sound financial basis for the logging industry and, secondarily, the municipal government, as well as provide for a "stay of execution" for 23 pristine areas of the National Forest.

I thank you for this opportunity to state my views and may you enjoy your stay in Sitka as much as I have enjoyed living here the last 42 years. Again, thank you.

Senator WIRTH. Thank you very much, Ms. Calvin.

## STATEMENT OF K.J. METCALF, SOUTHEAST ALASKA CONSERVATION COUNCIL

Mr. METCALF. Mr. Chairman, thank you for the opportunity to testify today.

For the record, my name is K. J. Metcalf. I live in Angoon, and I am a business person. I am speaking for the Southeast Alaska Conservation Council, plus a statement of my own.

SEACC is a grassroots coalition of 13 organizations in 11 communities. SEACC supports Senator Wirth's bill, S. 346, and believes it would be strengthened by giving permanent protection to the key fish and wildlife areas.

SEACC opposes Senator Murkowski's bill, S. 237, since it maintains the status quo and fails to address the problems facing the Tongass.

The following comments are my own, and they are based on 20 years of employment with the Forest Service in the Tongass National Forest. During this time, I worked on a number of public land management issues. From 1973 to 1978 I was part of the Tongass Land Management Planning Process. From 1978 to 1982, I was manager of Admiralty Island National Monument.

A great deal has been said by the Forest Service and the timber industry about the need to maintain the long-term contracts. We have all heard the rhetoric concerning the obligation of the government to keep its word and honor its commitment to the timber industry. We have also heard about the need for the Forest Service to complete its planning process, the current Tongass Land Management Plan Revision, prior to any Congressional action.

I would like to offer a different perspective, a perspective based on personal involvement with and observation of the Forest Service on the Tongass for 20 years.

In the early 1960s the Forest Service felt they had a mandate to cut 98 percent of the old growth forest, and that was its form of multiple-use management. They approached that with a vengeance and if anybody challenged them they simply said that this was a professional decision and they were professionals. Not only were they, by their own direction, going to donate the old growth, but they were going to maximize the benefits to the timber industry.

I know of road locaters who laid out logging roads away from salmon streams to protect those streams, only to have the logger phone the Regional Forester to have the field decision overruled because it caused the logger unwarranted expense.

I sat in a staff meeting in this very town and heard a forest supervisor explain why a logger, who had illegally dumped a number of trees in a salmon stream, did not have to remove those trees for several weeks because of unwarranted expense to the logger.

I know that the Regional Office is aware that the pulp companies had established phony independent logging companies in order to bid on sales established specifically for the independent program. These phony companies had no equipment, they had no history of logging, and they were pure paper companies financed by the mills. The Forest Service knew this, and they still awarded the sales to them.

I have sat in a staff meeting where the Regional Forester said that to have a logger enter a water shed several times to log would create unwarranted expense; therefore, the logger should be allowed to take all of the trees at the first entry. Prince of Wales Island carries the legacy of that policy.

I could go on but I see my time is out. All I can say is that we hoped, that ANILCA and the Tongass Management Plan would bring a new fresh breath of air to the Tongass Forest and it failed to do that and we think the Congress must act again.

Thank you.

Senator WIRTH. Thank you very much, Mr. Metcalf.

[The prepared statement of Mr. Metcalf follows, attachments retained in subcommittee files.]

## STATEMENT OF
## K.J. METCALF

VICE PRESIDENT OF THE
SOUTHEAST ALASKA CONSERVATION COUNCIL

BEFORE THE
SENATE SUBCOMMITTEE ON PUBLIC LANDS,
NATIONAL PARKS AND FORESTS
APRIL 25, 1989

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, THANK YOU FOR THE OPPORTUNITY TO TESTIFY TODAY. FOR THE RECORD; MY NAME IS K.J. METCALF, I LIVE IN ANGOON AND AM SPEAKING FOR THE SOUTHEAST ALASKA CONSERVATION COUNCIL, FOLLOWED BY A PERSONAL STATEMENT. THE SOUTHEAST ALASKA CONSERVATION COUNCIL (SEACC), IS A GRASSROOTS COALITION OF 13 ORGANIZATIONS IN 11 COMMUNITIES. SEACC IS MADE UP OF PEOPLE WHO WORK AND LIVE IN THE TONGASS NATIONAL FOREST.

SEACC SUPPORTS SENATOR WIRTH'S BILL, S. 346, AND BELIEVES IT WOULD BE STRENGTHENED BY GIVING PERMANENT PROTECTION TO THE 23 KEY FISH AND WILDLIFE AREAS.

SEACC OPPOSES SENATOR MURKOWSKI'S BILL, S.237, SINCE IT MAINTAINS THE STATUS QUO AND FAILS TO ADDRESS THE PROBLEMS FACING THE TONGASS.

THE FOLLOWING COMMENTS ARE MY OWN. I BASE THESE COMMENTS ON 20 YEARS OF EMPLOYMENT WITH THE FOREST SERVICE ON THE TONGASS NATIONAL FOREST. DURING THIS TIME I WORKED ON A NUMBER OF PUBLIC LAND MANAGEMENT ISSUES. FROM 1973 TO 1978 I WAS PART OF THE TONGASS LAND MANAGEMENT PLANNING PROCESS. FROM 1978 TO 1982 I WAS

MANAGER OF ADMIRALTY ISLAND NATIONAL MONUMENT.

A GREAT DEAL HAS BEEN SAID, BY THE FOREST SERVICE AND THE TIMBER INDUSTRY, ABOUT THE NEED TO MAINTAIN THE LONG TERM CONTRACTS. WE HAVE ALL HEARD THE RHETORIC CONCERNING THE OBLIGATION OF THE GOVERNMENT TO KEEP ITS WORD AND HONOR ITS COMMITMENT TO THE TIMBER INDUSTRY. WE HAVE ALSO HEARD ABOUT THE NEED FOR THE FOREST SERVICE TO COMPLETE ITS PLANNING PROCESS, THE CURRENT TONGASS LAND MANAGEMENT PLAN REVISION, PRIOR TO ANY CONGRESSIONAL ACTION.

I WOULD LIKE TO OFFER A DIFFERENT PERSPECTIVE. A PERSPECTIVE BASED ON PERSONAL INVOLVEMENT WITH AND OBSERVATION OF THE FOREST SERVICE, ON THE TONGASS, FOR 20 YEARS.

THE FOREST SERVICE HAS HAD A VERY CLOSE ALLIANCE WITH THE TIMBER INDUSTRY ON THE TONGASS. FOREST PLANNING AND DECISIONS HAVE HISTORICALLY BEEN BIASED IN FAVOR OF THE INDUSTRY. OTHER RESOURCES, WHEN LEFT TO THE AGENCY, HAVE RECEIVED ONLY TOKEN CONSIDERATION. THE AGENCY HAS ADOPTED THE POSITION THAT THE HIGHEST AND BEST USE OF THE TONGASS IS FOR TIMBER PRODUCTION.

WHENEVER THE FOREST SERVICE HAS DEPARTED FROM THIS POSITION IT HAS BEEN BECAUSE OF PRESSURE FROM CONGRESS OR THE COURTS. THE FOREST SERVICE HAS NOT DEMONSTRATED, WHEN LEFT TO ITS OWN LEADERSHIP, THAT IT IS ABLE TO MANAGE THE TONGASS SO THAT ALL RESOURCES ARE GIVEN FAIR AND EQUAL TREATMENT.

IN THE EARLY SIXTIES THE FOREST SERVICE STATED THAT THEY PLANNED

TO HARVEST 96% OF THE OLD GROWTH FORESTS ON THE TONGASS. THE FOREST SERVICE INSISTED THAT THEY WERE PRACTICING MULTIPLE USE. WHEN THEY WERE CHALLENGED THEY PROCLAIMED THAT THEY WERE THE PROFESSIONALS AND THIS WAS A PROFESSIONAL DECISION. THE FOREST SERVICE MOVED AHEAD WITH ITS "PROFESSIONAL RESPONSIBILITIES" RESULTING IN WIDE SPREAD DESTRUCTION OF FISH AND WILDLIFE HABITAT AND THE DEGRADATION OF MANY OF THE TONGASS VALUES, ALL FOR THE BENEFIT OF THE TIMBER INDUSTRY.

I KNOW OF ROAD LOCATERS WHO LAID OUT LOGGING ROADS AWAY FROM SALMON STREAMS, TO PROTECT THOSE STREAMS, ONLY TO HAVE THE LOGGER PHONE THE REGIONAL FORESTER TO HAVE THE FIELD DECISION OVERRULED BECAUSE IT CAUSED THE LOGGER UNWARRANTED EXPENSE.

I SAT IN A STAFF MEETING IN THIS VERY TOWN AND HEARD A FOREST SUPERVISOR EXPLAIN WHY A LOGGER, WHO HAD ILLEGALLY DUMPED A NUMBER OF TREES IN A SALMON STREAM, DIDN'T HAVE TO REMOVE THOSE TREES FOR SEVERAL WEEKS BECAUSE OF UNWARRANTED EXPENSE.

I KNOW THAT THE REGIONAL OFFICE WAS AWARE THAT THE PULP COMPANIES HAD ESTABLISHED PHONY INDEPENDENT LOGGING COMPANIES IN ORDER TO BID ON SALES ESTABLISHED TO PROTECT THE INDEPENDENT LOGGER. THESE PHONY COMPANIES HAD NO EQUIPMENT OR HISTORY OF LOGGING, THEY WERE PURE PAPER COMPANIES FINANCED BY THE MILLS. YET THE FOREST SERVICE AWARDED THESE COMPANIES INDEPENDENT SALES.

I HAVE SAT IN A STAFF MEETING WERE THE REGIONAL FORESTER PROCLAIMED THAT TO HAVE A LOGGER ENTER A WATERSHED SEVERAL TIMES TO LOG CREATED UNWARRANTED EXPENSE, THEREFOR THE LOGGER SHOULD BE

ALLOWED TO TAKE ALL THE TREES AT THE FIRST ENTRY. PRINCE OF WALES ISLAND CARRIES THE LEGACY OF THAT POLICY.

I HAVE HEARD DISCUSSIONS ON HOW TO KEEP FISH AND GAME BIOLOGISTS FROM INFLUENCING HOW TIMBER SALES ARE LAID OUT.

I HAVE HEARD A REGIONAL FORESTER PROMISE THAT THERE WOULD NEVER BE AN ACRE OF WILDERNESS ON THE TONGASS.

I HAVE WITNESSED FOREST SUPERVISORS EXCLUDE AREAS FROM WILDERNESS CONSIDERATIONS BECAUSE THE AREA CONTAINED A FEW ACRES OF COMMERCIAL TIMBER.

WHEN THE FOREST SERVICE TRIED ITS FIRST FOREST WIDE PLANNING EFFORT IN 1973, THE PLANNER IN CHARGE TOLD ME THE PLAN HAD BEEN WRITTEN TO PURPOSELY CONFUSE THE PUBLIC, SINCE WHENEVER THE PUBLIC UNDERSTOOD WHAT WE WERE DOING THEY CREATED TROUBLE.

THIS WAS THE BRAND OF MULTIPLE USE THAT WAS PRACTICED ON THE TONGASS UNTIL THE MID SEVENTIES. THE ONLY CONSIDERATION DURING THIS PERIOD WAS THAT THE LOGGER CUT AS MANY TREES AS POSSIBLE AND MAKE THE GREATEST PROFIT. THE TIMBER INDUSTRY WAS CUTTING THE HEART OUT OF THE TONGASS, HIGHGRADING THE BEST OLD GROWTH, WHILE ILLEGALLY CONSTRAINING TRADE AND KEEPING DOUBLE SETS OF BOOKS. THE FOREST SERVICE WAS NOT UNAWARE OF THESE ACTIONS.

THE FOREST SERVICE ESTIMATED THAT THE PULP COMPANIES CHEATED THE GOVERNMENT, YOU AND I, OUT OF SOME 80 MILLION DOLLARS, YET NO

EFFORT HAS BEEN MADE TO RECOVER THAT MONEY.

THE FOREST SERVICE WAS NOT UNCHALLENGED IN ITS SINGLE PURPOSE MANAGEMENT OF THE TONGASS. FISHING GROUPS AND SMALL COMMUNITIES WERE THREATENING COURT ACTION. THE STATE OF ALASKA WAS CONSIDERING TAKING THE FOREST SERVICE TO COURT AS UNFIT LAND MANAGERS. THE FOREST SERVICE HAD LOST THE COURT BATTLE TO ESTABLISH THE U.S.PLYWOOD CHAMPION MILL. THE U.S.DEPARTMENT OF JUSTICE MADE THE DECISION NOT TO IMPLICATE THE FOREST SERVICE, DESPITE THE EVIDENCE, IN PROSECUTING THE INDUSTRY FOR CONSTRAINT OF TRADE. THE FOREST SERVICE HAD ITS BACK TO THE WALL.

BY THE LATE SEVENTIES THE FOREST SERVICE PROMISED A NEW ERA IN FOREST PRACTICES AND PLANNING. THROUGH THE ESTABLISHMENT OF THE SOUTHEAST AREA GUIDE ALL RESOURCES WOULD BE CONSIDERED. THROUGH THE PASSAGE OF ANILCA THE FOREST SERVICE WOULD PROVIDE AN AVERAGE OF 450 BILLION FEET PER DECADE WHILE PROTECTING THE OTHER RESOURCES OF THE TONGASS.

ITS IMPORTANT TO REALIZE THAT THE FOREST SERVICE WAS BAILED OUT OF THE ENORMOUS CONTROVERSY BY CONGRESSIONAL ACTION. CONGRESS SPECIFIED IN ANILCA THAT THE 450 TARGET WOULD ALLOW FOR MODEST GROWTH IN THE INDUSTRY, AND THAT HIGHGRADING WOULD BE LESSENED. THE BILL ALSO DIRECTED THE FOREST SERVICE TO PROTECT SUBSISTENCE ACTIVITIES, AND FISH AND WILDLIFE HABITAT. IF THE FOREST SERVICE WAS NOT ABLE TO ACCOMMODATE ALL THAT IT WAS ASKED TO DO IT HAD THE OBLIGATION TO REPORT BACK TO CONGRESS.

THE FOREST SERVICE HAS IGNORED THAT RESPONSIBILITY AND CONTINUED

TO CLAIM THAT IT IS DOING A QUALITY JOB ON THE TONGASS. ONE HAS BUT TO READ THE 86-90 ALASKA PULP CO LONG TERM SALE ENVIRONMENTAL IMPACT STATEMENT TO LEARN THAT LOGGING HAS NO IMPACT ON SUBSISTENCE AND THAT WHILE DEER NUMBERS WILL BE DECREASED DUE TO LOGGING OF OLD GROWTH, HUNTER EXPECTATIONS WILL BE MET BECAUSE HUNTERS WILL NOT EXPECT TO HARVEST AS MANY DEER. MANAGEMENT BASED ON THIS TYPE OF RATIONAL IS ASSURED TO END UP IN COURT. THE FOREST SERVICE GOAL, IS ONCE AGAIN, TO GET THE CUT OUT AND IN DOING SO IF LOGIC AND SCIENTIFIC FINDINGS HAVE TO BE IGNORED, THEN SO BE IT.

THE PROMISED CHANGES IN TONGASS MANAGEMENT ARE STILL ONLY PROMISES.

THE FOREST SERVICE HAS CONTINUED ITS LONG HISTORY OF SUPPORTING THE TIMBER INDUSTRY AT THE EXPENSE OF THE OTHER RESOURCES. IF THE FOREST SERVICE HAD FOLLOWED THE DIRECTION IN ANILCA AND SHOWN THE LEADERSHIP TO PRACTICE TRUE MULTIPLE USE WE WOULD NOT BE IN THIS HEARING TODAY. THE ONLY PART OF ANILCA THE FOREST SERVICE HAS CHOSEN TO HONOR IS THE 450 BOARD FOOT TARGET. THIS EFFORT HAS BEEN AT A GREAT DOLLAR EXPENSE TO THE TAX PAYER AND HAS CONTINUED THE HIGHGRADING THAT IS SO DESTRUCTIVE TO THE OTHER FOREST RESOURCES.

THE FOREST SERVICE HAS FAILED TO CARRY OUT ITS MULTIPLE USE MANDATE UNDER ANILCA, WHICH HAS CREATED A NATIONAL FIRESTORM OF CONTROVERSY, YET THE FOREST SERVICE DENIES THERE ARE SERIOUS

PROBLEMS ON THE TONGASS. THE CURRENT TONGASS PLANNING IS IN SERIOUS TROUBLE. WE ARE HEADED TOWARDS A PLANNING SOLUTION THAT MAINTAINS BUSINESS AS USUAL AND ONCE MORE FAVORS THE TIMBER INDUSTRY. SUCH A SOLUTION IGNORES THE ISSUES AND HISTORY.

THE CHIEF OF THE FOREST SERVICE TESTIFIED IN CONGRESS, SEVERAL MONTHS AGO, THAT THE FOREST SERVICE WAS OPPOSED TO A MANDATED ALLOWABLE SALE QUANTITY FOR THE ROCKY MOUNTAIN REGION BECAUSE IT; "TIED THE HANDS OF THE MANAGERS." ASSOCIATE CHIEF GEORGE LEONARD TESTIFIED IN MARCH, IN A US HOUSE HEARING, THAT THE FOREST SERVICE WAS IN FAVOR OF THE ALLOWABLE SALE QUANTITY FOR THE TONGASS. THE ASSOCIATE CHIEF DID NOT HAVE AN ANSWER WHEN ASKED WHY THE FOREST SERVICE WOULD OPPOSE THE PROVISION FOR ONE REGION AND SUPPORT IT FOR ANOTHER.

AT THIS SAME HOUSE HEARING ASSOCIATE CHIEF LEONARD ADMITTED THAT THE FOREST SERVICE WOULD NOT BE ABLE TO BRING TOGETHER THE TONGASS FACTIONS FOR SOME TYPE OF COMPROMISE. YET WE ARE ASKED TO TRUST THE FOREST SERVICE PLANNING PROCESS TO RESOLVE THE ISSUES.

I CAN'T HELP BUT BE CYNICAL WHEN I HEAR THE TIMBER INDUSTRY TELL CONGRESS THAT ALL THEY WANT IS TO BE TREATED FAIRLY. THAT WOULD INDEED BE A PLEASANT CHANGE!

I BELIEVE ITS TIME THAT THE TONGASS WAS TREATED FAIRLY. TO BELIEVE THAT THE FOREST SERVICE WILL SOLVE THE TONGASS ISSUES THROUGH ITS PLANNING PROCESS IS TO IGNORE HISTORY. CONGRESS MUST

TAKE THE INITIATIVE. I FEEL THAT THERE MUST BE NO MANDATED TIMBER SUPPLY OR SALE QUANTITY, THE TWO 50 YEAR CONTRACTS MUST BE CANCELLED AND THE 23 KEY FISH AND WILDLIFE AREAS MUST HAVE PERMANENT PROTECTION.

SUCH A SOLUTION BASED ON S.346 WOULD NOT BE CAUSE FOR THE MILLS TO CLOSE. I RECOGNIZE THE NEED FOR A TIMBER INDUSTRY TO BE PART OF THE TONGASS ECONOMY. HOWEVER, THAT INDUSTRY CAN NO LONGER BE AT THE EXPENSE OF THE RECREATION AND FISHING INDUSTRIES NOR AT THE EXPENSE OF THE SMALLER COMMUNITIES. IF THE TIMBER INDUSTRY IS A VIABLE BUSINESS THEN IT WILL SURVIVE WHEN THE TONGASS IS MANAGED LIKE ANY OTHER NATIONAL FOREST.

THANK YOU FOR THIS OPPORTUNITY TO TESTIFY.

Senator WIRTH. Senator Murkowski?

Senator MURKOWSKI. I want to compliment the witnesses. I know some of them personally. I have a high regard for your commitment to the life style that you and other Alaskans enjoy, and I would like to spend a little more time pursuing it.

There was a reference to Ketchikan's spruce mills in one of the earlier statements. I wonder you would care to elaborate a little bit, Ms. Baade? It was owned by the Dailey family, and then Milton Dailey died.

Ms. BAADE. It was third generation, as far as I know. I knew Milton Dailey.

Senator MURKOWSKI. And then it was run by his son, John.

Ms. BAADE. Yes, and his son John sold the mill. I remember the timber sale lawsuit and it was quite detailed as to the whole pattern of how they put the spruce mill out of business. I was saying that—well, the equipment, I understand, was beginning to wear out and they had a dry kiln which was bulldozed out to store the kilns. That was after Ketchikan Pulp Company took it over. They shipped the lumber all over the State of Alaska. Most of all Ketchikan was built with the Ketchikan spruce mill lumber and it was real nice to be able to go down to the mill and pick out some lumber for your own building purposes. Now you cannot even buy a two by four.

Senator MURKOWSKI. I used to work that sawmill and John was a personal friend of mine. They used to operate yards in Sitka and Anchorage and Fairbanks and Palmer. The difficulty, of course, was all the ships bypassed Southeast Alaska going up to pull the charters. There was a small mill here in Sitka many years ago when I first came here, and they used to produce for the local market but one of the realizations that Mr. Dailey told me was the reason that they had to sell the mill is they got a good offer from Louisiana Pacific and then, previous to that, they had been out of the dimensional lumber business for some time because they were supplying their yards by rail barge because they could load up the barges with dimensional lumber, all different kinds, fir, plywood, and be able to sell what the market required and had the ability to compete with the locally produced spruce and hemlock, even though they had to dry kiln the lumber. It was more costly than their competitors in Anchorage and Fairbanks, who had lumber yards they were supplying out of the commercial diversified industry out of Puget Sound. So, they simply went out of that business in order to survive and went into the export business, which they operated for several years before they sold it to Louisiana Pacific. Then Louisiana Pacific had a labor strike where they could not resolve the negotiations, and they finally sold the land to the City of Ketchikan and tore down the buildings. And it is a big parking lot today.

Ms. BAADE. Senator Murkowski, I know John Dailey testified before Congress and I have all of his testimony, as you outlined there, as to why the mill was put out of business. If you read the Reid Brothers timber sale lawsuit there are not many who testified under oath.

Senator MURKOWSKI. Well, I will see him tomorrow in Anchorage.

Ms. BAADE. Well, he did testify under oath.

Senator MURKOWSKI. I am just adding some background information. I appreciate your point of view and I thank you very much, I assure you.

Mr. Schmidt, in your written testimony you mentioned why Senator Murkowski changed his own legislation. Well, it really was not my legislation to start out but nevertheless it is Tongass legislation. I was not around when the legislation was put together. If I had been around when that legislation had been put together, as my friends in the native community are quite aware of, I would not have stood still for a situation that allowed the export of round logs from the native land selection because I feel, and have felt, that if you are going to have a primary manufacturing policy to support the local employment, why export the jobs by exporting the round logs?

We were going to initiate a situation of encouraging primary manufacture and that was the opportunity to do it because we had appropriations on the Forest Service that they are not allowed to export the round log and then when we opened up the private selections, there was no prohibition on round logs and, quite appropriately so, the stockholders in the major village corporations wanted to get the highest yield for their land sales and they could do it by exporting the round logs. I do not think it helped employment based on the small sawmills and we had the two mills in Haines and one in Petersburg and a mill in—two mills in Wrangell and they had tough times. Nevertheless, I think it is fair to state that when stumpage re-evaluation occurs, and it probably has occurred in Ketchikan where stumpage has been raised up to $68, it is my understanding stumpage will be revisited based on a formula of some kind relative to when it comes up for renewal and it is going to occur here in Sitka as well. So there will be undoubtedly a substantial increase in stumpage. This is what I understand.

I think that basically concludes my questions. I will thank you all again for your excellent testimony.

Yes, ma'am.

Ms. JOHNSTONE. The information that I have from the Forest Service is that the present price that APC pays is in effect until December 31, 1990.

Senator MURKOWSKI. Well, I am glad to get that information because I was under the assumption they were negotiating at this time and the difference between stumpage in the Ketchikan area and the Sitka area, the Ketchikan area, from the standpoint of species, had basically better timber than the Sitka area just because the further north you go there is less volume of acreage in general but there's an expert that can testify to that. Thank you.

Senator WIRTH. Mr. Burns?

Senator BURNS. Thank you very much, Mr. Chairman.

I was concerned about one thing in making all of these notes and Mr. Metcalf alluded in his testimony here that the regional office was aware about the pulp companies using phony independent logging companies in order to bid in sales established to protect independent loggers. Then the Forest Service awarded them the sale. I think that is pretty strong, a pretty strong comment. Were there any charges filed because I think that is contrary to Forest Service rules?

Mr. **Metcalf**. Yes. The Justice Department made the decision for political reasons, I guess, not to involve the Forest Service in litigations with the two mills. I spoke to a Justice department investigator who told me that he was aware of that information and they had made that decision.

Senator **Burns**. Thank you very much.

I have no further questions.

Senator **Wirth**. Thank you very much, Senator Burns.

This is for Mr. Metcalf. Mr. Metcalf, you worked for the Forest Service for some time?

Mr. **Metcalf**. That is correct.

Senator **Wirth**. How long did you work for the Forest Service?

Mr. **Metcalf**. About 24 years, 20 years on the Tongass.

Senator **Wirth**. What did you do on the Tongass?

Mr. **Metcalf**. I was a naturalist with the land use planner and then I completed my career as manager of the Admiralty Island National Monument.

Senator **Wirth**. What in your best estimate or what is the reason that the Tongass is treated differently from other national forests? First of all, do you agree that it is treated differently?

Mr. **Metcalf**. Yes. I think the Forest Service had their mind set that they needed to convert all of the old growth here and they were encouraged in that in the beginning and then as the economy systems of the United States and Alaska changed the Forest Service was unable to change and they continued to drive at being maternalistic towards the timber industry and the Forest Service, I think, refused to change while everything else around them changed and that is the excuse that they used for years. It is just that, an excuse.

Senator **Wirth**. Then the excuse they use is that things are different here?

Mr. **Metcalf**. Yes.

Senator **Wirth**. Is there any validity in the fact that what they do is driven by the 4.5 billion board feet ten-year requirement?

Mr. **Metcalf**. When the Tongass Land Management Plan was completed there were a number of provisions in there, ANILCA 4.5 and a number of other provisions, and the Forest Service essentially ignored those other provisions and strove to meet the 4.5 at the expense of the other provisions, I think, provisions about habitat and subsistence and so forth.

Senator **Wirth**. Is there any target like that for any other national forest in the country?

Mr. **Metcalf**. No, sir. In fact, the Forest Service in congressional hearing, the Chief of the Forest Service said that that would tie their hands and they would be opposed to it.

Senator **Wirth**. If that existed in any other national forest?

Mr. **Metcalf**. Yes, sir.

Senator **Wirth**. Are there any long term contracts like on the Tongass in any other national forest?

Mr. **Metcalf**. Not that I am aware of.

Senator **Wirth**. Do any other national forests have the automatic appropriation?

Mr. **Metcalf**. Not that I am aware of.

Senator **Wirth**. Do you know anything about the Shee Atika trade on Admiralty Island?

Mr. **Metcalf**. Yes.

Senator **Wirth**. Were you here during the discussion we had earlier about that trade?

Mr. **Metcalf**. Yes, I was.

Senator **Wirth**. Is there anything else to that story that did not appear in the discussion that we had here?

Mr. **Metcalf**. Yes, I think so. There was some very valuable land that was identified for trade for Shee Atika. Some of that land was around Sitka, some of it a LUD 2 in the Bay of Pillars. Essentially, as I understand it, the parties that were in that discussion about the trade said it, the LUD 2 and the area around Sitka, would not be adequate to compensate Shee Atika.

Right at that point I believe Senator Murkowski either sponsored or favored blindly wording that would have resulted in additional road credits for the mill, some $41 million the first year and $20 million the second year, and it was felt by all parties that I was involved with that that had absolutely no business in the Shee Atika land trade bill and the parties walked away from the land trade at that point. So, I guess there is a different perspective as to why that agreement fell apart.

Senator **Wirth**. I have another question. You talked about phony companies being set up by the two mills. When were those phony companies——

Mr. **Metcalf**. In the 1960s.

Senator **Wirth**. That doesn't exist anymore?

Mr. **Metcalf**. No, not that I am aware of.

Senator **Wirth**. When did they stop existing?

Mr. **Metcalf**. I am not sure.

Senator **Wirth**. Were those phony companies operating during the long term contract?

Mr. **Metcalf**. Yes.

Senator **Wirth**. Has that been documented, that those phony companies existed?

Mr. **Metcalf**. Yes, sir.

Senator **Wirth**. Where is that documentation?

Mr. **Metcalf**. I am sure that it is in the Reid Brothers suit and the Justice Department has that information and the Forest Service has it.

Senator **Wirth**. Again, looking at these contracts and whether or not those ought to be terminated and, if so, if they can be terminated for cause or terminated for public interest, there are categories of termination and sometimes it is easier to terminate than others. One of the easiest ways to terminate is to show that the parties to the contract have violated the contract. Part of my discussion earlier, I had earlier with Mr. Roppel. Do you know of any other violations that ought to be part of the record?

Mr. **Metcalf**. There are a lot of alleged ones but none I personally know about.

Senator **Wirth**. None that are documented other than the ones we talked about previously this morning, the three, the charges earlier, and then the phony companies, and the Reid Brothers?

Mr. **Metcalf**. Not that is documented.

Senator **Wirth**. Let me ask you a final question that relates to what I gather is called residual. The question goes something like this, and I do not understand this and I would like you to help me out on it. If a timber company has or agrees to a sale with the Forest Service, say timber of 1,000 acres only the timber is 750 acres, the remainder is 250 acres or, to put it another way, if a company agreed with the Forest Service to cut 100,000 board feet and only cut 75,000 board feet what happens to that residual, that residual of 250 acres or that residual of 25,000 board feet of timber?

Mr. **Metcalf**. I am not exactly sure. It would depend on the specific contract but a lot of that is—well, the term is "carry-over."

Senator **Wirth**. That is called carryover. Who owns that carryover?

Mr. **Metcalf**. I am not exactly sure.

Senator **Wirth**. Do most contracts that the Forest Service makes to these companies deal with the carry-over issue or is it not specifically dealt with?

Mr. **Metcalf**. I do not know, sir.

Senator **Wirth**. It seems to me that we might be heading in one direction with a piece of legislation and then could find that there is an enormous bank of carry-over residual out here where companies could come around and say, "Hey, we have all of this that we did not cut up," but I do not know. I guess one of our jobs is to say "What if." What is in the pipeline out there?

Well, we can ask the staff to present that to the Forest Service. I think that would be a very interesting question. Do either of you have any final comments you would like to make?

Mr. **Sever**. Yes, I would like to bring a thought that one of the previous panel members made as far as the issue of 12(k) in the long term contract. That is the local hiring provision in the APC long term contract. He said that they have been called on that many times and met the test. What I would like to do, I would like to read you an excerpt of a letter on information I sent to Ken Roberts, the Forest Supervisor of Region 10, U.S. Forest Service. What I would like to read is two of the questions that I asked him and his reply to my questions.

My question was, "What efforts were made by APC and its affiliates, subsidiaries, or subcontractors to recruit individuals employed in the conduct of logging operations, mills, and the manufacturing process conducted under the contract of record in southeast Alaska?" His reply was, "There is no Forest Service documentation showing the effort APC or its affiliates made to recruit southeast Alaska residents by use of newspaper advertisements, radio announcements, or Alaska job services."

My next question was, "Was there any reason it made it impractical to recruit these employees from the residents of southeast Alaska?" Mr. Roberts replied to that question, "A search of our records revealed no documentation showing the reasons why APC could or could not recruit employees from southeast Alaska." The conclusion I arrived at here was that the questions on local hiring were never asked by the Forest Service and therefore they were never provided to anybody.

Senator **Wirth**. Thank you. Senator Murkowski?

Senator **Murkowski**. Very briefly, to make sure that we have a complete record, I will ask you that I may be allowed to include from my files information relative to this proposed effort to save the Admiralty Island logging issue and the land exchange. These things are hard to recall and Mr. Metcalf is correct, the general agreement, it is my recollection, did involve the Bay of Pillars. As I recall, Sealaska was awarded that. The environmental community indicated that they were reluctant to accept what the Forest Service had put in. A formal road I think was involved in it.

But, in any event, it is my understanding that Shee Atika was not satisfied that it was equitable. They wanted more land. It is at that point that we came in and the land came out of the timber base. Then the question was that there would have to be an exchange of land from the timber base and some other consideration and that is where the road credits came in. I think it is important to point out that when Shee Atika asked for more cash than we could possibly expect to get out of the appropriation process, we never formally introduced the bill. Unfortunately, the negotiations were not finalized. However, with your permission I would like to include those for the files.

Senator **Wirth**. Thank you. I have a few questions about that and perhaps you know the answers to them. During the discussion between Senator Murkowski and Ms. Brown there was some colloquy that went back and forth related to second growth. You were here at the time, Mr. Metcalf?

Mr. **Metcalf**. I believe so.

Senator **Wirth**. I can ask you a few questions about that, you are a forester and knew about this thing. The discussion was that if you look up on the map you see evidence of second growth. What can you tell us about that second growth, you know, specifically how large are the trees in the second growth, how long does it take trees to come back, what is the quality of that timber versus what was cut?

Mr. **Metcalf**. The amount of wood fiber that is produced per acre is essentially the same. It cannot hardly improve that but we do get less defect in the trees. The trees are larger in the second growth after better than a 100 years.

Senator **Wirth**. After 100 years the trees are larger than the trees that were damaged?

Mr. **Metcalf**. Well, I would say on the average. In the old growth stand you had many large old trees, you had a variety of openings, and you have a variety of aged ones. In the second growth you have—the same age class. There is more wood fiber that is usable in the second growth but there is not the variety of age class nor is there the understory that supports the wildlife that is important, for instance, in the old growth kind of species. So, if you looked at the second growth after 100 years, and as you go further north it takes 150 years, in Ketchikan and that, but it essentially can produce more wood, usable wood fiber, but it is limited in its ability to provide other forest values.

Senator **Wirth**. Is there anywhere, in layman's language, a sort of charter to base those on? It sounds to me like there are pluses and minuses to second growth. You are going to have more wood fiber and you are going to have better trees, is that right?

Mr. METCALF. For some uses. Some of the old growth spruce, the texture of the wood is much better compared to the second growth. The second growth has more air in it.

Senator WIRTH. Why does the old growth spruce have more density than the second growth?

Mr. METCALF. The second growth grows much faster and so the cells are larger.

Senator WIRTH. Why does it grow faster?

Mr. METCALF. Because it has less competition; there is more sunlight.

Senator WIRTH. When it is out in the open it tends to grow more rapidly or a little more slowly, the rings are closer together, and, therefore, the quality of the old growth is better than the quality of the new growth?

Mr. METCALF. It depends on what they are using the wood for. Probably for pulp the second growth is much better.

Senator WIRTH. If you are going for pulp the second growth is advantageous. If you are going for quality——

Mr. METCALF. If you are going for a musical sound board, the old growth is the best.

Senator WIRTH. Now, in a mixed state, what difference does the age class make?

Mr. METCALF. It is complicated but to try and make it simple, the old growth has natural openings. Trees die and fall over and new trees start and you get patches of sunlight and you get a variety of age, age classed trees, different trees at different ages, and a lot of undergrowth that provides food for wildlife and so forth.

Senator WIRTH. So, you are getting more wildlife in old growth than in the second growth?

Mr. METCALF. That is correct. A real good forest will sustain a variety of wildlife and it will protect them during the winter. It will keep out a lot of the snow and there will be food for them and forage, going underground, that is available to them. The second growth does not have that canopy, it does not have the openings. The Forest Service now admits that 50 to 75 percent of the deer will be finished in half the water sheds that they have left to log because the growth will essentially disappear and there will be nothing but woody stems to sustain the deer.

Senator WIRTH. What is a woody stem?

Mr. METCALF. Just young trees that do not have the soft, fleshy limbs that you have in the old growth.

I wanted to get your sense of what to look for and be alert to here.

Thank you. We appreciate your being here. Thank you very much.

We will take a brief recess.

[Recess taken.]

Senator WIRTH. We can resume.

I would ask if our six witnesses would please come up to the witness table, Ladonna Stafford, John Parton, Ralph Groshong, Ed Oetken, Hayden Kaden, Joy Evers. Then in the first row down at the right, Ruth Sandvig, John Murray, Gage Else, Carolyn Servid, Linda Waller, Christine Pool.

While the first six witnesses are coming to the witness table I would like to make a couple of announcements. The individuals, as I pointed out, should take the appropriate seats. Please bring copies of your written statements with you when you come up. When you get to the first row the staff will collect your statements and make sure that they are available to the members of the committee.

We had set the deadline of two minutes per witness. Unfortunately, our court reporter has got a 5:30 airplane and we are going to have to leave here at 5:00 o'clock. We will close the hearing at 5:00 o'clock. So, we are going to accelerate the rate just little more rapidly and we ask all of you to speak real fast and do it in a minute and thirty seconds. That way we can, I hope, get everybody in who has been promised the opportunity to testify. Unfortunately, and I understand there has been some communication between here and Washington, some people may have been inadvertently omitted from the witness list. If you are on the witness list published in the newspaper and do not see your name on today's witness list, please check with a member of the staff by coming over here and raising your hand and we will see if we can get that sorted out. We have already added Leo Gillings and Jim Stout, who were inadvertently omitted, for this same reason.

So, let us move on very smartly, if we can. The staff will be keeping a watch and we are going to go a minute and thirty seconds or the best we can do.

Let us go to Ladonna Stafford first.

We saved a minute and thirty seconds because evidently she is not here. Let us go to John Parton.

## STATEMENT OF JOHN PARTON

Mr. PARTON. My name is John Parton. I am an Alaska logger and I live in Rowan Bay. I work for the Alaska Pulp Corporation running a yarder.

In starting I might say that I do not see this just as something happening here. I see this as the trend of things all over the country to stop the logging of the old growth in the forest by a one-sided view.

I wish I had spots on my skin so that it would be physically apparent that I too am an endangered species. Even as the small creature is one of many types of owl, I am a specific type of human, a Pacific Northwest logger. Will you give my mate and I thousands of acres of timberland, for that is what I too need to survive.

Am I a destroyer of everything in my path or just a harvester of the old and past prime, that the young and healthy might develop? Do I perform an unnecessary task or am I not at the very center of our existence just as the other farmers you subsidize? On the day your children were born their very first contact other than the doctor's hand was with the paper towels that wiped them clean. The books that educate us, the money we spend, the laws you write, even the pamphlets, magazines, and picket signs that protest me are all made out of the products I provide, as is probably the home that you live in.

How much greater loss than direct revenues will there be if me and my kind not only quit having taxable income but are forced to go on welfare? We have nowhere else to go. Driven from my home state of Idaho by RARE II, from Oregon and Washington by spotted owls, this is my only remaining habitat.

You have been chosen as men of wisdom and given authority not only by man but by God in whom we trust, chosen to delegate liberty and justice for all. I am one of that "all." Will I keep my life, my liberty, or will you not see the forest for the trees and drive my kind to extinction?

Thank you.

Senator WIRTH. Thank you. Ralph Groshong.

### STATEMENT OF RALPH GROSHONG, ALASKA PULP CORP.

Mr. GROSHONG. It would be great if loggers were 14 inches tall and had spots and feathers. Then, instead of wanting to take timber from us, the federal government and environmentalists would give us more timber than we need.

The rules and regulations concerning fish creeks are strictly enforced by the company and the United States Forest Service. The residents and APC have no desire to hurt the fishing industry. The two industries together support southeast Alaska. Omission of either one could be disastrous.

The cut and logged units in southeast Alaska reseed themselves at an incredible rate. Most of the timber cut at Rowan Bay is past maturity and starting to decompose. The second growth timber that comes back is healthy and a beautiful sight to see, even from a plane or Alaskan ferry.

APC's logging at Rowan Bay and its residents contribute $3,481,227 annually to the local economy. An additional $40,000 is spent per month for groceries, plus $24,000 a year for air taxi service from the people living in family housing, who also help support local doctors, hospitals, and pharmacies. In my written statement I have included an explanation of the $3,481,277 contribution, Rowan Bay expenses for 1988, which apply directly to the southeast Alaska economy.

In closing, Oregon and Washington are expected to lose 17,000 logging and logging-related jobs to owls and environmentalists. Therefore, if we lose our jobs there will not be anywhere for us to go except for welfare lines. You will not be able to get any tax money out of us there and there are too damn many people in them already.

I am totally against Bill S. 346.

Thank you for your time.

[The prepared statement of Mr. Groshong follows:]

### Alaska Pulp Corporation Logging
Rowan Bay, Alaska
Ralph C. Groshong

It would be great if loggers were 14 inches tall and had spots and feathers. Then, instead of wanting to take timber from us, the federal government and environmentalists would give us more timber than we need.

The rules and regulations concerning fish creeks are strictly enforced by the company and the United States Forest Service. The residents and A.P.C. have no desire to hurt the fishing industry. The two industries together support southeast Alaska. Omission of either one could be disastrous.

The cut and logged units in southeast Alaska reseed themselves at an incredible rate. Most of the timber cut at Rowan Bay is past maturity and starting to decompose. The second growth timber that comes back is healthy, and a beautiful sight to see (even from a plane or Alaskan ferry).

A.P.C.'s logging at Rowan Bay and it's residents contribute $3,481,227 annually, to the local economy. An Additional $40,000 is spent per month for groceries, plus $24,000 a year for air taxi service from the people living in family housing, who also help support local doctors, hospitals and pharmacies.

Explanation of the $3,481,277 contribution:
Rowan Bay expenses for 1988
(which apply directly to southoast Alaska economy)

| | |
|---|---|
| Fuel | $465,002.32 |
| Air Freight | 91,196.23 |
| Groceries (Cook house only) | 129,941.93 |
| Repair Parts (trucks, cat yarders, camp upkeep, motors, etc.) | 139,759.41 |
| Supplies (linens, tires, saws.) | 102,665.61 |
| Air Taxi Service (employees/residents) | 15,000.00 |
| Air Taxi Service (for medical reasons) | 2,500.00 |
| Log Towing/Barging | 900,000.00 |
| Employer Provided Insurance: | |
| Employee and dependents | 70,987.53 |
| Employee Retirement | 48,753.96 |
| Workers Compensation Coverage | 425,530.71 |
| Subtotal: | $2,391,337.70 |
| Direct Wages | 1,089,940.05 |
| | $3,481,277.75 |

In closing, Oregon and Washington are expected to lose 17,000 logging and logging-related jobs to owls and environmentalists. Therefore, if we lose our jobs, there won't be anywhere for us to go except for welfare lines; you won't be able to get any tax money out of us there, and there's too damn many people in them, already. I am totaly against Bill SB 346

Thank you for your time. -----Ralph C. Groshong

Senator WIRTH. Ed Oetken.

### STATEMENT OF EDWARD R. OETKEN, ALASKA PULP CORP.

Mr. **OETKEN**. I am employed as the Director of Environmental Affairs at Alaska Pulp Corporation.

My family and I have spent ten years in Alaska and Sitka is our home.

The passage of Senator Wirth's bill will lead to the shutdown of the Alaska Pulp mill in Sitka. Every person in this community, and many outside, will suffer an initial loss when the bill becomes law and further losses when the mill shutdown actually occurs.

Why do I believe that the mill will be shut down by this piece of legislation? Part of my job is to negotiate agreements with state and federal regulatory agencies. Achieving an agreement with a regulatory agency has never been easy, but always possible when the two parties were intent on reaching a solution to the problem under discussion. During the past few years these negotiations have become many times a three-party affair with the Sierra Club intervening as the representative of environmental groups, and the negotiations have ended up in the hands of lawyers and judges. In the process, construction projects are delayed or abandoned and newspaper, radio, and TV reports cover the country. These situations, I believe, were caused by attempts to influence Tongass legislation—and the hope that APC would not be able to survive the economic impact of increased environmental costs. Fair minded concern by the Sierra Club for all aspects of the environment has not been demonstrated to me.

I see Senator Wirth's bill as the Sierra Club's "final solution" to Alaska Pulp's existence.

In response to legitimate concerns, I support Senator Murkowski's bill, S. 237, as one way of allowing the Forest Service to do its job of managing the Tongass for all citizens, not just a select few.

Senator WIRTH. Thank you very much, Mr. Oetken. Mr. Hayden.

### STATEMENT OF HAYDEN KADEN

Mr. **HAYDEN**. Thank you.

For the record, my name is Hayden Kaden. I have been a permanent resident of southeast Alaska for 22 years. I am an attorney and, in addition, for 16 years I have been involved in wilderness recreation as a guide in the southeast and am familiar with Alaska.

The social and economic development of rural southeast are being crippled by Tongass management policies developed over 30 years ago. Since then our region has grown and diversified but federal policies have not grown and diversified with us.

The strongest cries for change are coming from the very communities which are surrounded by the Tongass Forest and from the people most dependent upon its resources.

New timber operations have been prevented by the monopoly contracts and the resulting limits on timber supply. Small mills compete with one another for leftover timber in bid sales while the pulp mills pay reduced rates and thereby eliminate their competition.

Community watersheds have been logged despite local protests because communities have no status when the needs of the 50-year contract holders conflict with those of Tongass communities.

Fishermen, tourism interests, guides, recreationists, and others with a profound economic stake in the forest are seeing their future stripped away under a management program which provides its primary benefits to the Japanese.

The Tongass forest can provide timber to diverse local interests, support the development of more timber manufacture, provide habitat for commercial and subsistence fisheries, and allow for local community self-determination, but only if major changes occur in the management goals.

I support S. 346 and would ask that you strengthen the bill by granting permanent protection to all of the 23 key fish and wildlife areas.

I have in addition 19 letters that I would like to submit.

Thank you.

[The prepared statement of Mr. Kaden follows:]

## STATEMENT OF HAYDEN KADEN, JUNEAU, ALASKA

FOR THE RECORD, MY NAME IS HAYDEN KADEN. I HAVE BEEN A PERMANENT RESIDENT OF SOUTHEAST ALASKA FOR 22 YEARS. I AM AN ATTORNEY SPECIALIZING IN LEGISLATION AND, IN ADDITION, FOR 16 YEARS, I HAVE BEEN A WILDERNESS RECREATION GUIDE IN SOUTHEAST. I ALSO LIVED WITH MY FAMILY IN A SUBSISTENCE LIFESTYLE IN A RURAL SOUTHEAST ALASKA COMMUNITY FOR 11 YEARS. I AM APPEARING IN SUPPORT OF S. 346, THE TONGASS TIMBER REFORM ACT.

THE SOCIAL AND ECONOMIC DEVELOPMENT OF RURAL SOUTHEAST ARE BEING CRIPPLED BY TONGASS MANAGEMENT POLICIES DEVELOPED OVER THIRTY YEARS AGO.

SINCE THEN OUR REGION HAS GROWN AND DIVERSIFIED, BUT FEDERAL POLICIES HAVE NOT GROWN AND DIVERSIFIED WITH US.

THE STRONGEST CRIES FOR CHANGE ARE COMING FROM THE VERY COMMUNITIES WHICH ARE SURROUNDED BY THE TONGASS FOREST, AND FROM THE PEOPLE MOST DEPENDENT UPON ITS RESOURCES.

NEW TIMBER OPERATIONS HAVE BEEN PREVENTED BY THE MONOPOLY CONTRACTS AND THE RESULTING LIMITS ON TIMBER SUPPLY. SMALL MILLS COMPETE WITH ONE ANOTHER FOR LEFT OVER TIMBER, IN BID SALES, WHILE THE PULP MILLS PAY REDUCED RATES AND THEREBY ELIMINATE THEIR COMPETITION.

COMMUNITY WATERSHEDS HAVE BEEN LOGGED DESPITE LOCAL PROTESTS BECAUSE COMMUNITIES HAVE NO STATUS WHEN THE NEEDS OF THE 50-YEAR CONTRACT HOLDERS CONFLICT WITH THOSE OF TONGASS COMMUNITIES.

FISHERMEN, TOURISM INTERESTS, GUIDES, RECREATIONISTS, AND OTHERS WITH A PROFOUND ECONOMIC STAKE IN THE FOREST, ARE SEEING THEIR FUTURE STRIPPED AWAY UNDER A MANAGEMENT PROGRAM WHICH PROVIDES ITS PRIMARY BENEFITS TO THE JAPANESE.

THE DEBATE OVER STREAM PROTECTION WILL NOT GO AWAY UNTIL THE FOREST SERVICE IS ABLE TO PROVIDE ADEQUATE BUFFERS. HOWEVER, THE OVER COMMITMENT OF THE FOREST REQUIRES CONSTANT COMPROMISING OF COMPETING ECONOMIC USES.

THE TONGASS FOREST CAN PROVIDE TIMBER TO DIVERSE LOCAL INTERESTS, SUPPORT THE DEVELOPMENT OF MORE TIMBER MANUFACTURE, PROVIDE HABITAT FOR COMMERCIAL AND SUBSISTENCE FISHERIES, AND ALLOW FOR LOCAL COMMUNITY SELF-DETERMINATION--BUT ONLY IF MAJOR CHANGES OCCUR IN THE MANAGEMENT GOALS.

WE URGE YOU TO PROTECT OUR ECONOMIC DEVELOPMENT BY PROVIDING FOR ECONOMIC DIVERSIFICATION. DO NOT CONTINUE A POLICY

WHICH HAS BEEN OUT OF DATE FOR YEARS, AND PREVENTS LOCALLY OWNED BUSINESS FROM GAINING A FAIR COMPETITIVE POSITION.

16 COMMUNITIES OF THE TONGASS, THE RESIDENTS OF THE TONGASS, THE PERMANENT RESIDENTS OF OUR REGION AND HUGE ECONOMIC OPPORTUNITIES CALL UPON YOU TO HELP US WIN THE CHANGES WHICH ONLY CONGRESSIONAL ACTION CAN PROVIDE.

IT IS NOT APPROPRIATE FOR AMERICANS TO PAY FOR THE EXPLOITATION OF OUR NATION'S LAST RAIN FOREST, WHILE LOCAL PEOPLE ARE READY TO USE THESE RESOURCES RESPONSIBLY AND WITHOUT GOVERNMENT SUBSIDY.

THE FOREST SERVICE HAS MADE ITS GOOD FAITH EFFORT TO SOLVE THE COMPETITIVE PROBLEMS THROUGH ADMINISTRATIVE CHANGES, BUT THEY CANNOT SUCCEED WITHIN THE LIMITS OF CURRENT LAW. I URGE YOU TO ACT NOW TO PASS S. 346, THE TONGASS TIMBER REFORM ACT, ON BEHALF OF THE PERMANENT RESIDENTS OF THE TONGASS FOREST AND ON BEHALF OF THE NATIONAL INTEREST.

IN ADDITION, I WOULD ASK THAT YOU STRENGTHEN SENATOR WIRTH'S BILL BY GRANTING PERMANENT PROTECTION TO ALL 23 OF THE HIGH VALUE FISH AND WILDLIFE AREAS RECOMMENDED FOR ONLY TEMPORARY PROTECTION BY S. 346. I AM PERSONALLY FAMILIAR WITH AND HAVE GUIDED CLIENTS IN, OR USED FOR SUBSISTENCE PURPOSES, THE BERNERS BAY AREA, PLEASANT AND LEMESURIER ISLANDS, POINT ADOLPHUS / MUD BAY, ROCKY PASS, THE YAKUTAT FORELANDS AND YOUNG'S LAKE.

IF THESE HEARINGS HAD BEEN HELD IN A MORE REPRESENTATIVE SAMPLING OF TONGASS FOREST COMMUNITIES AND HAD THE WITNESS SELECTION PROCESS BEEN MORE FAIR, YOU WOULD HAVE HEARD MANY MORE SENTIMENTS, SUCH AS MINE, EXPRESSED.

HOWEVER, I DO APPRECIATE THE OPPORTUNITY TO PRESENT MY VIEWS AND THOSE OF MANY OF THE UNREPRESENTED COMMUNITIES OF SOUTHEAST ALASKA. THANK YOU.

Senator WIRTH. Thank you. Foy Nevers.

## STATEMENT OF FOY NEVERS

Ms. NEVERS. Mr. Chairman, my name is Foy J. Nevers and I support Senate Bill 237 and oppose Senate Bill 346.

The primary reason I have worked 29 continuous years for Alaska Pulp Corporation and made Sitka my home is the steady, dependable employment the 50-year contract has given me and my family.

During these 29 years I have raised a daughter, two sons, and seen them educated from kindergarten through high school graduation in Sitka. I have a son buried here and someday hope to be placed next to him, if I am not forced to move because I lost my job as a result of Senate Bill 346.

I have been a life member of the Sitka Sportsmen's Association for 28 years and firmly believe that logging and wildlife do co-exist. I used to hitch a ride in 1961 and 1962 on logging trucks in Katlian Bay to go deer and goat hunting. I have taken deer home almost every year from this Bay in the regrowth areas since then.

The new growth in Katlian Bay has come back so thick that I believe my grandchildren will see it logged again. Katlian River still has a good run of dog and pink salmon every year.

Please do not lose sight of the fact that southeastern Alaska is blessed with a great many inches of rainfall which guarantees almost no lost trees due to forest fires.

Let us keep our jobs here in southeastern Alaska so we will not have to be retrained or relocated away from our homes.

Thank you.

Senator WIRTH. Thank you very much and we appreciate all of you that have joined us today.

Would the next group please move in, Ruth Sandvig, John Murray, Page Else, Carolyn Servid, Linda Waller, and Christine Pool.

Moving into the on deck circle we have Joe Kilburn, Sandra Craig, Frank Wright, Jr., Richard Bean, Jr., R. Bartlett Watson, and Gordon Harang.

We will start with Ruth Sandvig.

## STATEMENT OF RUTH SANDVIG

Ms. SANDVIG. I am Ruth Sandvig of Petersburg, Alaska, a resident for 48 years. I have taught school, raised three children and fished for over 30 years.

The Tongass National Forest is a multiple use area. We must practice and protect more than one type of activity.

A former Republican Alaskan State legislator said, "The timber industry does not need to log creek beds." That was in 1985. Now, in 1989 creek beds are still being logged. We need large bumper strips to prevent erosion and to preserve the habitat.

I support Senator Wirth's bill for permanent protection.

Let us speak of jobs. Remember the Tongass National Forest is a multiple use area. We must share jobs among loggers, fishermen, and others. If we continue to log at the present rate there will be fewer jobs for both loggers and fishermen.

I have with me evidence of some 21 people from Petersburg who wish to support Senator Wirth's bill for protection.

I thank you for this opportunity.

Senator WIRTH. Thank you very much.

Mr. Murray.

### STATEMENT OF JOHN MURRAY

Mr. MURRAY. My name is John Murray. I reside in Sitka, Alaska where I commercially fish. I have been interested and somewhat active in Tongass National Forest management plans since ANILCA or the so-called Alaska Lands Bill days.

I support Mr. Wirth's S. 346 and wholeheartedly agree with SEC 201, Findings and Purpose as a good outline of problems on the Tongass. I would like to reinforce these in my own words.

Since ANILCA's passage in 1980 many changes have come about, with fishing, tourism, subsistence use and native logging operations becoming more important to our southeastern communities and villages. With their continued growth and usage more conflicts and frustration with current land use practices occur. Many feel as I do, that these important values are being compromised. By "compromised," I mean that it is harder and I think not possible for the U.S. Forest Service to manage, under the constraints of the long term contract and the mandate cut, true multi-use, sustained yield forest practices. The Forest Service is hard pressed to protect other forest user groups to the extent necessary, thereby compromising other values.

I would like to bring up some points which are important. Fishing and fish processing is a large employer in southeast Alaska, somewhere in the range of 4,000 to 6,000 jobs.

Mr. Wirth mentioned value added products. Job security in the timber industry could be helped by it, with finished products, specialty lumber, filling our local needs. Instead, we send out cants from Wrangell sawmill and let Japan's mills have the jobs. Then I go to the hardware store and buy lumber from Oregon, while the Wrangell mill stands idle. No saw logs, they say. Does not make sense to me.

In closing, I feel the amendments in S. 346 will move us toward better management and offer the Forest Service much greater flexibility.

Senator WIRTH. Thank you.

Page Else.

### STATEMENT OF PAGE ELSE

Ms. ELSE. I am Page Else and I am the editor of a publication entitled "A Manual for Oyster Farmers in Alaska." I am currently living in Sitka and working on a mariculture research project. Mariculture is a subject of controversy in Alaska. Many environmentalists oppose it because they feel there are insufficient sites available. Fishermen oppose it because they feel their livelihood is threatened, but in this controversy lies the first point I would like to make to this committee.

The Tongass should be managed for multiple resource use. We must achieve balance. Current management is biased towards rape of one resource, with little financial gain to the nation and great cost to other resources.

I support S. 346. I think it answers some of the problems. Local populations have increased with more development of fishing and tourism. The pressure on the Tongass is so great now that we must look at the whole of southeast Alaska in an attempt to determine its fate. Areas must be protected for their foremost value. As wild lands become more raped they become more precious. In the past we looked at wild lands as empty lands that should be developed; today we know the biological base they provide to our fisheries and environment. What they produce we cannot come anywhere near to imitating, with our bureaucratic, inefficient systems. We must provide permanent protection to key wildlife habitat areas, like Anan Creek and South Etolin Island. Their long term benefits are too great for any other use of the resource to be economical.

The harvest mandate currently in place is placing intense pressure on the forest and it may destroy it. This harvest figure is no longer appropriate. It was computed at a time when there was more wood available and less alternate uses of the ecosystem.

Thank you.

Senator WIRTH. Thank you very much, Ms. Else.

[The prepared statement of Ms. Else follows:]

### PREPARED STATEMENT OF PAGE VIRGINIA ELSE

I am the editor of a publication entitled "A Manual for Oyster Farmers in Alaska"; published by the Sea Grant Program and the State of Alaska. I am currently living in Sitka and working on a mariculture research project. Mariculture is a subject of controversy in Alaska. Many environmentalists oppose it because they feel there are insufficient sites available. Fishermen oppose mariculture because they feel their livelihood is threatened by it. But in this controversy lies the first point I would like to make to this committee. The Tongass should be managed for multiple resource use. We must achieve balance.

Current management is biased towards rape of one resource, with little financial gain to the Nation, and great cost to other resources.

The Tongass is presently being managed by an economic scheme that may have been very appropriate 20 years ago but is no longer economically beneficial today. Local populations have increased with more development of fishing, tourism, mining and other forms of industry. This changes the relative value of the Tongass resources. The pressure on the Tongass is so great now that we must look at the whole of Southeast Alaska and attempt to determine its fate. Areas must be selected and protected for their foremost value. As wildlands become more rare, they become more precious. In the past we looked at wildlands as empty lands that should be developed. Today we know the biological base they provide to our fisheries and environment. What they produce we can't come anywhere near to imitating, with our beauracratic inefficient systems. We must provide permanent protection to key wildlife habitat areas, like Anan Creek and South Etolin Islands, where I have traveled. Their long-term benefits to us is too great for any other use of the resource to be economical. The harvest mandate currently in place is placing intense pressure on the forest, and it may destroy it. This harvest figure is no longer appropriate. It was computed at a time when there was more wood available and less alternate uses of the ecosystem.

I have lived in several of the towns in S.E. Alaska and my friends include loggers, fisherpeople, environmentalists, and business people. Some of these loggers would have liked to have had their own businesses, but feel they were forced out of business by the big corporations. It costs this nation more to prepare a timber sale than it gains. Two-thirds of our timber is sold without competitive bidding. I don't believe this is good capitalism. The longterm contracts should be abolished. Timber should be managed as a normal business, controlled by the market and economic conditions, not supported by an artificial subsidy. This actually results in undervaluing the resource. In our rush to maintain the status quo we sell timber at a loss. The timber supply in the world is steadily decreasing. Holding on to our timber is a good investment. The true cost of supporting timber must include the air and water pollution caused by the industry. I support Senate bill 346, sponsored by Wirth.

Senator **Wirth**. Carolyn Servid.

## STATEMENT OF CAROLYN SERVID

Ms. **Servid**. Thank you, Mr. Chairman.

Good afternoon, Senators. My name is Carolyn Servid. I have been a resident of Sitka for nine years and have chosen this community as my home because of the opportunity it provides to live in concert with the natural world. I have held jobs here in business, education, and tourism and have been active in several community nonprofit organizations.

Senator Murkowski, as one of your constituents, I wish I could support your Bill S. 237. However, I do not believe it is in the best interests of the forest and the many people who live here and use its varied resources. While S. 237 sustains the timber industry, it does so at the cost of fisheries, wildlife, recreation, and tourism, for if the current Tongass management practices continue, including the 450 cut and the 50-year contracts, the degradation of these other resources is guaranteed. The vision at the end of that narrow road is frightening.

That is why I am grateful to you, Senator Wirth, for introducing S. 346, which offers a more balanced approach to managing the Tongass. By replacing the 450 cut with appropriate planning, by replacing the $40 million subsidy with annual appropriations, and by replacing the 50-year contracts with short term timber sales, we can sustain the timber industry in a way that is beneficial to more people and reasonable for the forest. At the same time, we can move toward true multiple use of the forest by granting special consideration to critical fish and wildlife habitat and areas of high recreation and subsistence use. The 23 areas listed in your bill are particularly important in this regard and deserve not temporary but permanent protection. I urge you to strengthen this provision.

In closing, I would like to acknowledge the delicate balance that maintains life on the earth. We have come close to violating it beyond repair. Political and economic motives will not save us. They must be balanced by the internal dictates of the natural world itself. We must use our intelligence to ensure that the earth—and the Tongass National Forest—will continue to sustain us.

Thank you for the opportunity to express my views.

Senator **Wirth**. Thank you.

Linda Waller.

## STATEMENT OF LINDA WALLER

Ms. **Waller**. Good afternoon, Senators. My name is Linda Waller, I have lived in Sitka for 15 years and for 11 years have been involved with various aspects of the fishing industry.

Senator Wirth, thank you for listening to the people of rural southeast Alaska who do not want clearcuts and roads infringing on their communities, and for introducing positive steps to bring true multiple use to the Tongass.

Of all the wonderful things that came out of the 1950s, should we be stuck with these archaic 50-year contracts? In fairness to the native corporations and independent loggers, timber sales must be competitive. Repeal of the $40 million subsidy, which has been proven to be a waste of taxpayers' money; and repeal of the 450 requirement would allow the Forest Service to manage the Tongass as they do all other national forests.

The fishing industry is southeast Alaska's largest private industry, employing 3,993 people as compared to the timber industry's 1,781. Protecting lands from logging is comparable to the closing of fishing areas to protect a species or a specific run of salmon. It is just sensible management. Ninety percent of the salmon harvested in southeast come from Tongass watersheds; seventy percent of this high value habitat is not protected. The Forest Service does not even require buffer strips along streams.

In the face of the Prince William Sound disaster and the Taiwanese fishing fleet's interception of Alaskan salmon, please mandate more than a moratorium on logging the fragile habitat of southeast Alaska's rainforest. I would like to request this committee to amend Senate Bill 346 to designate 22 areas as wilderness now, with the Yakutat Forelands getting special consideration for its present commercial and subsistence uses.

Thank you for all your time and consideration.

Senator WIRTH. Thank you. Yesterday Senator Burns and I awarded two green medals. You get the first one today.

Senator BURNS. And I was wondering, if you have any spare time, I have a lot of work for you making 1 minute and 30 second commercials.

Senator WIRTH. Christine Pool.

## STATEMENT OF CHRISTINE POOL

Ms. POOL. My name is Christine Pool. I support Senate Bill 237. I am originally from the State of Colorado and I moved to southeast Alaska 12 years ago. I have lived in Ketchikan and Juneau and with my family I am in the process of moving to Sitka. With the uncertainty of the mill's future, we really do not know if we will see some differences in the Sitka housing market or not.

As a family we have been involved with the fishing industry, the tourism industry, and the timber industry in southeast Alaska. Having traveled through the region, I see that all three of those industries are critical to southeast Alaska and to the survival of many of our towns. We rely on renewable resources for our income. Just as the loss of the fishery in Prince William Sound will impact 30 communities beyond that region, loss of the timber industry can impact many cities beyond just those with mills, like Wrangell, Sitka, and Ketchikan, et cetera. I am concerned about their future as well as our own

As you contemplate legislation, please do not forget that we Alaskans respect our land. Please keep in mind that we are using only a small percentage of the national forest for timber harvesting. On the other hand, we should not issue an industry blackjack to operate. We need to hold them to accountability. We have a God given responsibility for the stewardship of our planet and wise management of our local resources. I feel that Alaskans can manage their responsibility.

Senator **Wirth**. Thank you very much. Thank you all. You came in under the deadline.

Next are Joe Kilburn, Sandra Craig, Frank Wright, Jr., Richard Bean, Jr., R. Bartlett Watson, Gordon Harang. On deck we have Mike Kaelke, Steve Brenner, Mike Elerding, Babe Stragier, Wayne Pattison, and Frances Longshore.

Mr. Kilburn, please begin for us.

## STATEMENT OF JOSEPH KILBURN

Mr. **Kilburn**. My name is Joseph Kilburn. I am a veteran of foreign wars. I am here today to speak in favor of Senator Wirth's bill, S.346, Tongass Timber Reform Act. I realize that in doing this I may be jeopardizing any work I now have or hopes of full time employment in Sitka, since I have been discriminated against prior to this by APC and contractors and it is presently in the hands of the NLRB.

This bill would not shut down APC or the logging industry as the crying wolf APC would like the public to believe. This bill must be strengthened for the benefit of all the taxpayers of the United States of America. It seems that the taxpayers' money is being used to subsidize the pulp mills timber. We, the taxpayers, lose money every year on this operation. Isn't it time that we stop this? Let the mills operate without all the giveaways. Regulations should be followed by them, as the general public has to do. I am certain that if I nitric washed equipment I could not dump it into the bay. Yet, I am sure APC has done this. If APC wishes to continue operations, that is fine, but let them follow the same pollution laws that the majority of Americans have to. They deserve no special treatment just because it is a foreign owned company.

APC showed how little respect it has for law and order by its actions between 1959 and 1975. LPK and APC caused a government loss of up to $81 million.

In the years ahead without the Tongass Timber Reform there is a projected loss of up to $3 billion, depending on sale prices. This loss would be paid for by all taxpayers, not just Sitka. I do not know of any other private business in southeast Alaska, except the pulp mills, that reap such benefits.

Thank you for allowing me to speak.

Senator **Wirth**. Thank you, very much, Mr. Kilburn. I am going to be writing again to the company about yours and the Severs case. Lydia George said that her son could not get employment there and it is a fact that preference is supposed to go to people in southeast Alaska. We do want to pursue that and make sure that, in fact, that is happening.

Sandra Craig.

## STATEMENT OF SANDRA CRAIG

Ms. **Craig**. I am Sandra Craig. I live in Elfin Cove. I have been a commercial fisherman for the past 10 years. I am also a charter boat operator. I was raised in an Oregon logging family. My father owned what was probably the first chain saw in Oregon. I have worked five years in the wood products research and development industry.

I oppose Senator Murkowski's bill.

We are subsidizing two pulp mills whose current practices are not only unsustainable but will permanently reduce the sustainable major industries of the Tongass, fisheries and tourism. With competitive timber sales, a more efficient timber industry would develop that could more fully utilize the forests. This would result in the export of value, added finished wood products, not just our nation's raw materials. This would create more timber related jobs at a sustainable level of timber harvest.

I am in strong support of Senator Wirth's bill.

Thank you for introducing it. Protecting the 23 areas is essential for wildlife, fisheries, recreation, and subsistence. These areas were well chosen and need permanent protection by law, not just a temporary moratorium. Elfin Cove, a small fishing village, lies between Port Althorp and Idaho Inlet, both within the proposed Chichagof area. This old growth forest supports healthy and diverse fish and wildlife population. I am raising my boy on those beaches and in those forests. Please do not take that from us forever. The way of life of all the people of Elfin Cove depends on this forest. In addition, our community asks you to include the nearby Inian Islands for protection.

Industry claimed they could protect our environment in Prince William Sound. Do not let it put our key fishery habitats at risk. Old growth forests are not a renewable resource. Permanent protection of the 23 areas is essential to the economy of nature and the people of the Tongass.

Thank you for this chance to testify.

Senator WIRTH. Thank you very much.

Mr. Wright.

## STATEMENT OF FRANK WRIGHT

Mr. WRIGHT. My name is Frank Wright. I am from Hoonah. Hoonah is a traditionally organized Alaska Native Village recognized by the U.S. Secretary of the Interior. The Hoonah Indian Association, IRA Council is the federally recognized tribal governing body for the native community of Hoonah.

The Hoonah Indian Association is in support of Senator Wirth's S.346, Tongass Reform Act. In addition, we strongly urge that you amend S.346 to grant permanent protection to the 23 areas in the Tongass, not just a temporary moratorium.

Hoonah is located on North Chichagof Island, and Pleasant Island, Lemisuier Island, Port Althrop, Idaho Inlet, Point Adolphus, Mud Bay, and Lisianski River are very crucial areas to the Tlingit people. The current Tongass management operations have been permanently detrimental to our traditional and customary way of life, now known as subsistence, and to plants, animals, and seafoods in the area.

The negative impacts on fisheries and seafoods totally outweigh the positive impacts. Salmon streams have eroded away so badly during the past several winters they caused disastrous fishing seasons for two years now. Log yards and dumps provide continuous oil leakage into fishing waters which cling to all fishing gear, not only damaging gear but discouraging a catch. Bark from trees stored in the waters are creating irreparable acidity damage. It is a common sight to see blemishes on the surface of herring and salmon, a disintegration of food quality right before our eyes.

The forest is our provider through its rich life in plants and animals. Through the forest we have materials for food, medicines, heraldic poles, canoes for transportation, paddles to motivate the canoes, tools, baskets, and boxes for storage of food, clothing and other valuables, as well as gaff hooks, herring rakes, smokehouse firewood for food preservation, household firewood for heat and protection. The forest is an intricate part of the ecosystem which, when upset, affects all the other major parts. Disintegration of one part of the ecosystem will cause continued and uncontrolled imbalance in the balance of nature from which our successful existence has been based. We witness hundreds of hunters invade our island every hunting season and with them the massacre of deer. The State of Alaska has declared an emergency closure of brown bear hunting on Chichagof Island due to the detrimental effects of the sport hunter invasion.

There are five logging camps on North Chichagof Island today, each one bulging at the seams now that the USFS is beefing up its harvest operations as fast as they can while Congress is fumbling to grasp the reins of sound management. Daily we see barge after barge importing heavy equipment and living facilities for the logging operations, barges that run right through both local fishermen's long-line and crab line operations.

The $40 million subsidy must be deterred from the timber industry subsidy and be mandated for multi use of these lands to provide land protection and opportunity for public usage and benefit. The Hoonah Indian Association urges protection of traditional and customary land usage. The land and its people cannot be separated. It is our responsibility and commitment to co-exist and speak for the land and the rich life it supports.

If the Senate subcommittee has not done so already, please take this as an official invitation to set aside time to fly over North Chichagof Island to see firsthand the destruction that U.S. mismanagement of our forests has caused. It would be a shame and a waste of money to come all the way from Washington, D.C. and not view the very purpose of these hearings.

Thank you.

Senator WIRTH. Thank you.

Mr. Bean.

## STATEMENT OF RICHARD BEAN, JR.

Mr. BEAN. My name is Richard Bean, Jr. I am Tlinget from the T-tudxtdientaan clan in Hoonah, Alaska, a Tlinget village on Chichagof Island in southeast Alaska. I subsist on commercial fish for a living.

I would like to urge the Senate subcommittee to help pass Senator Wirth's bill, S. 346. Senator Murkowski's bill does not do enough to protect Tongass old growth, rain forests, and the salmon rivers.

I would also like to see the 23 areas listed in the bill protected so that they continue to support life in abundance, specifically our deer.

The impact of present cutting has already disturbed five major salmon rivers in the Hoonah area and threatens many more. Hillsides cannot handle the rain run-off. This makes the rivers run hard with a real muddy sediment. This disturbance of the salmon spawn in these rivers and the state regulations are making it very difficult for the Hoonah fisherman.

The state limits our fish time. For what? Preservation? While, on the other hand, cutting is affecting the spawn and potential runs. This does not make any sense to me. Are there two governing bodies here that do not know what the other is doing? The U.S. has to be the only place in the world that regulates the fishermen to throw marketable fish back into the ocean, that are usually dead anyway. This waste is causing a severe economic setback for the fishermen.

The salmon rivers and the habitat provided by the old growth timber and the rain forest are so important to us. I find it hard to believe that the Tongass National Forest destruction is being subsidized just to serve a few economically without really serving the state or the nation.

I have a letter I brought from Hoonah called "Subsistence Users of Hoonah Want to be Heard." This letter is signed by over 70 people, many of whom are boat captains, who have very strong feelings of the seven areas mentioned for permanent protection.

Thank you for this opportunity to testify.

Senator **Wirth**. Thank you very much, Mr. Bean.

Senator Murkowski?

Senator **Murkowski**. Just very briefly, I would like to ask Mr. Bean: The rivers in question, do they not come in at the area of the tidelands controlled by the Hoonah Native Association land selection?

Mr. **Bean**. For the most part, yes.

Senator **Murkowski**. Thank you.

Senator **Wirth**. Mr. Watson.

## STATEMENT OF R. BARTLETT WATSON, ARMSTRONG-KETA, INC.

Mr. **Watson**. My name is Bartlett Watson. I am the Executive Director of Armstrong-Keta, Inc., which owns and operates a private sector salmon hatchery on the southern end of Baranof Island at Port Armstrong. I have lived in Alaska for 15 years, the past eight years in southeast. Currently I am a resident of Juneau, where Armstrong-Keta maintains its administrative offices.

I am here today to testify on behalf of both my corporation and myself in support of Senator Wirth's Tongass Timber Reform Bill, S. 346.

Our hatchery exists under state law for the benefit of the commercial fishing industry, an industry significantly larger than the timber industry in southeast Alaska. There is no question that the quantity of clearcutting and road building activity currently planned for the Tongass will have a significantly negative impact on the productivity of wild salmon streams in this region.

Being in the business of attempting to augment the salmon harvest, I am not in favor of the continued subsidy of and lack of sufficient constraints on the timber industry, whose impact on the fisheries is directly counter to what we are trying to achieve. Massive clearcutting significantly reduces the ability of a watershed to moderate fluctuations in both the flow and temperature of the runoff, resulting in susceptibility of the salmon spawning and rearing streams to the extremes of flood and drought and freezing and excessively high temperatures. In addition, increased siltation of inshore marine waters resulting from clearcutting can have a deleterious impact on the survival of our hatchery fry as well as the wild salmon runs as they head out to sea.

Personally, I have chosen to live in southeast Alaska because of the proximity of wilderness with its stunning beauty and unparalleled recreational opportunities. I spend a lot of my free time hiking, kayaking, skiing and hunting. I want to be sure that the Forest Service is able to give the recreational and aesthetic uses of the Tongass the priority that they deserve, instead of being locked into a rigid mandate to promote logging.

Finally, I would like to express my disappointment that the committee did not choose to hold hearings also in Juneau, by far the largest center of population in southeast Alaska, where literally thousands of people who use the Tongass heavily hold passionate views on the current mismanagement of the National Forest and where this committee would have heard testimony overwhelmingly in support of Senator Wirth's bill.

Thank you for allowing me to testify.

Senator **Wirth**. Thank you, Mr. Watson.

Mr. Harang.

## STATEMENT OF GORDON HARANG, ARROWHEAD TRANSFER, INC.

Mr. **Harang**. My name is Gordon Harang. I am President of Arrowhead Transfer, Inc., which operates throughout southeastern Alaska with facilities in Ketchikan, Craig, Petersburg, Juneau, and Sitka.

Our company employs approximately 75 people on a year around basis, and several additional people seasonally.

I am strongly opposed to S. 346 for, several reasons. The bill is unfair, unnecessary, and would cause extreme hardship on all of southeastern Alaska.

I would estimate that without a healthy timber industry our company would employ 40 percent to 50 percent less people. Without a healthy timber industry our property tax base would be devastated. We would have to pay greatly increased taxes to maintain the level of services we now enjoy. These increased costs spread over a much reduced volume of business would equate to much higher transportation costs in southeastern Alaska.

These are only two of many factors which would have an extremely negative impact on the entire area. These things impact everyone, not just loggers, pulp mill people, and business people. They affect everyone living in southeastern Alaska, and many from outside Alaska who earn their livings supplying goods and services.

Please leave our communities healthy and our people working by opposing S. 346 and, instead, supporting S. 237 as a very viable alternative.

Thank you.

Senator WIRTH. We appreciated this panel. Thank you very much and we would move to the next six, Mike Kaelke, Steve Brenner, Mike Elerding, Babe Stragier, Wayne Pattison, and Frances Longshore, who are prepared to come up, I hope. We will have Donald Lancaster, Mildred Bernard, Larry Loitz, Pat Sarvela, Francis Furrow, and Eric Wharton move to the on deck chairs.

Mr. Kaelke.

## STATEMENT OF MICHAEL E. KAELKE, PRESIDENT, SHELDON JACKSON COLLEGE

Mr. KAELKE. Thank you. I spent a great deal of time trying to stay within the time limit and I can do it in one minute and 54 seconds. I expect you can read it in one minute and 15 seconds and I respectfully ask you to read my testimony.

Senator WIRTH. Thank you for joining us here in Alaska.

[The prepared statement of Mr. Kaelke follows:]

Sheldon Jackson College

Office of the President

April 25, 1989

U. S. Senate Energy Subcommittee On
  Public Lands, National Parks and Forests
Washington, D.C.

Dear Honorable Members,

I extend my sincere appreciation to you for holding public hearings on the Tongass with the people who have the greatest vested interest in the issues. Throughout Russian and U.S. history of Alaska there has been an excessive cast of outside transients who have selfishly intervened for their own personal gain at the expense of Alaskans. Hence, the act of listening by "cheechakos" to the "sourdough caretakers" who have endured, protected and sustained this great place is truly welcomed.

Indeed, on the surface the Tongass issue before us appears to be one of simply economic development versus conservation. However, I submit that the theme for decision-making should logically be striking a balance of use and values through establishment of mechanisms to maintain harmony. In this regard, I urge that your subcommittee take action to:

1) create a Tongass regional center for land management, economic development, and scientific research in Sitka. Such action assures regional decisions by the people who are most effected by the planning, rather than those in Portland and other outside locations.

and

2) support our Alaskan proposed Tongass legislation submitted by our own Senators Murkowski and Stevens. The resultant reform will still honor the long term congressional commitment to the timber industry and our Southeast Alaska communities.

This testimony to you is prompted from the honor of serving as leader of Sheldon Jackson College, the oldest educational institution in Alaska. For the 111 years of service in Sitka our heritage has emanated from a priority placed upon preservation of the past balanced with the economic and social-political realities of the future. Two of our new academic majors, Natural Resource Management and Development and Aquatic Resources, are designed to help our future leaders work toward the critical harmonious balance across special interest groups.

801 Lincoln Street • Sitka, Alaska 99835 • 907/747-5222

U. S. Senate Energy Subcommittee On
Public Lands, National Parks and Forests
Page 2
April 25, 1989

For a century Sheldon Jackson College has adapted its programs to the needs of the Alaskan people. We respectfully urge you to demonstrate the same sensitivity and commitment. Over the years we have endured many grave threats to our existence as a private enterprise, but none of these challenges equal the devastating negative impacts which would result from legislation that would reduce the economic benefits which we need and receive from our timber industry.

Thank you.

Cordially,

Michael E. Kaelke

Michael E. Kaelke
President

Senator **Wirth**. Steve Brenner.

## STATEMENT OF STEVE BRENNER

Mr. **Brenner**. My name is Steve Brenner and I thank you for the opportunity to address you on this important issue.

First of all, let me say I support Senate Bill 237 and I am against Senate Bill 346.

I have lived in Alaska over 25 years and have lived in the communities of Fairbanks, Ketchikan, Anchorage, and now Sitka.

We live in Sitka because we want to live here, not because we have to. We love this community. My wife, Bonnie, was born and raised here. She remembers well the dairy that was located on the present site of the pulp mill.

One of the reasons we came back here to make our home is because Sitka has a balanced economy, one not dependent on just oil or any one single factor. Sitka has a society in balance and is a good place to raise a family. We have two children, who we believe will also make Sitka their home when they are adults.

Right now my wife and I are faced with one of the largest economic issues in our lives. After working for all our adult lives, we have the opportunity to purchase the building she operates her clothing store out of. The thought of buying the building and then having one of the community's main economic engines shut down is not a particularly happy one. This would probably cause us a lot of grief, but we are not alone. It would also affect the people she has working for her, as some would probably lose their jobs as business is sure to be slower.

We feel we need a balanced economy with the timber industry along with fishing, mining, and tourism. All of the industries can co-exist, can work in conjunction with one another and can help everyone in the process.

We implore you, do not destroy this place called Sitka, but allow us to maintain our dignity and the lifestyle that we love.

Thank you.

[The prepared statement of Mr. Brenner follows:]

Senate Energy Sub Committee
On Public Lands, National Parks and Forests
Senator Dale Bumpers-Chairman

Honorable Senators,

My name is Steve Brenner and I thank you for the opportunity to address you on this important issue.

First of all let me say I support Senate Bill 237 and I am against Senate Bill 346.

I have lived in Alaska over 25 years and have lived in the following communities, Fairbanks, Ketchikan, Anchorage, and now Sitka.

We live in Sitka because we want to live here, not because we have to. We love this community. My wife, Bonnie was born and raised here. She remembers well the dairy that was located on the present site of the Pulp Mill.

One of the reasons we came back here to make our home is because Sitka has a balanced economy, one not dependent on just oil or one single factor. Sitka has a society in balance and is a good place to raise a family. We have two children, who we believe will also make Sitka their home when they are adults.

Right now my wife and I are faced with one of the largest economic issues in our lives. After working for all our adult lives, we have the opportunity to purchase the building she operaters her clothing store out of. The thought of buying the building and then having one of the communities main economic engines shut down is not a particularly happy one. This would probably cause us a lot of grief, but we are not alone. It would also affect the people she has working for her, as some would probably lose their jobs as business is sure to be slower.

When is a deal a deal? Are "ethics" a word that is in the dictionary but used only when it pertains to the "other guy"? We think not, especially here in Sitka. Many deals are consumated with a hand shake and people are taken on their word and trust. This is a family town with many of us going back two or three or more generations.

The 50 year contract should not be cancelled as it is one of the corner stones to this Cities economic well being.

The devestation to this city if Senate Bill 346 is passed would be real and severe. Property values would drop, homes could be worth less than their mortagage, divorces would rise, the City would lose population and on and on and on. What really then is the issue here? I believe it is one of fairness. By that I mean we have a good ecomomy now, one that has taken years of sweat and toil to build up, and as the saying goes, "If it's not broke why fix it?"

Trees are a renewable resource and around here they grow back naturally and very abundantly. We feel we should harvest them as they can be used to everyones benefit, not just for a few. With our rain and climate we will have a balance in the forest by harvesting them and not letting a resource go to waste by non-use. All of this should be done in an ecological safe fashion with an eye to the future generations of trees and people.

Are jobs the only issue here? We think not, but what is just one decent job worth to a persons self respect and dignity? Our economy is strong here, but with this type of loss of the timber industry, many people will be unemployed. Do we want unemployment? I think not!

Bonnie and I do not intend to leave Sitka even if by some pipe dream someone manages to shut down the timber industry. We are going to live here for as long as the good Lord lets us.

We feel we need a balanced ecomomy with the timber industry along with fishing, mining and tourism. All of the industries can co-exist, can work in conjunction with each other and can help everyone in the process.

We implore you, do not destroy this place called "Sitka", but allow us to maintain our dignity and the lifestyle that we love.

Thank You,

Steve

Steve Brenner
Box 3032-3484 H.P.R.
Sitka, AK.  99835

Senator **Wirth**. Thank you, Mr. Brenner.

I have read Mr. Kaelke's testimony and I would like to note for the record that one of his proposals is: "Create a Tongass regional center for land management, economic development, and scientific research in Sitka. Such action assures regional decisions by the people who are most affected by the planning, rather than those in Portland and other outside locations." I think that that maybe fits in with some of the other economic development ideas that have been discussed and we are going to try and build some type of a section like this into the legislation. I think it is an interesting idea and I thank you very much.

Mr. Elerding.

## STATEMENT OF MIKE ELERDING

Mr. **Elerding**. Thank you for coming to Alaska to hear the testimony of those affected by your legislation. My name is Mike Elerding. My family and I have lived in southeast Alaska for 29 years.

In 1960 my father moved our family to Ketchikan to take work at the Ketchikan Pulp Company. I graduated from Ketchikan High School in 1971 and attended college with the money I earned from summer employment at the mill.

From 1976 to 1983 I was employed as a banker in this community. During this time I financed homes and consumer goods for mill employees. As a commercial loan officer I also financed local businesses which depend on commerce generated by mill employees.

In 1983 my wife and I bought a business with four employees. We have doubled our business and increased our staff to 10 full-time employees.

So, you see, the pump mill has formed a financial cornerstone around which my social/economic life has been built. My business, my family's lifestyle and the community of Sitka cannot survive without the economic stability the mill provides to this region.

Section 104 of S. 346 calls for the termination of the long term timber contracts. Without the assurance of a continuous supply of raw materials the mill will certainly close, creating financial chaos in this region. This is a reversal of earlier government policy which promoted the development of southeast Alaska by entering into long term contracts. Those contracts required the mill to make long term commitments and long term financial investments. The government recognized the construction and operation of these mills in this area would entail unusually high risks. To induce the mills to take these risks the government offered 50-year contracts.

The mills have fulfilled their part of the bargain but the government wants to renege on its contractual commitment. Woodrow Wilson once said, "A government is only as good as its word." Our government, our country, and our community deserve more than S. 346.

Senator **Wirth**. Thank you.

Mr. Stragier.

## STATEMENT OF BABE STRAGIER

Mr. **Stragier**. My name is Babe Stragier. I have lived all of my life in Alaska and moved to Sitka from Fairbanks in 1980. One of the reasons I moved to Sitka was because of its stable economy, a feature which Fairbanks doesn't enjoy.

I own and operate two businesses here, a civil engineering business and a refuse collection business. Both of these businesses required a considerable investment in terms of equipment purchases and were made based on the stability of Sitka's economy.

The provisions of Senator Wirth's bill challenge the stability of Sitka's economy by eliminating the contract between the Forest Service and Alaska Pulp Corporation. The threat that the passage of Senator Wirth's bill could cause the closure of APC is a very real one to me, since I have such a great investment in the status quo of the present economy. For this reason, I unconditionally support Senator Murkowski's Senate Bill 237.

History has shown that Alaska's destiny has been controlled by either big government or big business. If the Wirth bill is passed and the two pulp mills are forced to close, the employment of 3,400 people and a 485 million dollar annual industry will be in jeopardy. Meanwhile, in Prince William Sound, Exxon Corporation has created an ecological disaster with the worst oil spill in U.S. history, affecting the lives of 3,000 people and a seafood industry estimated at 200 million dollars annually. Isn't it ironic that between big government and big business the two major economies of Alaska from Ketchikan to Cook Inlet have the potential of being seriously threatened, one in the name of environmentalism and the other in spite of environmentalism? It is obvious that Senate Bill 237, sponsored by Senators Murkowski and Stevens, is the only bill which offers a balance between these two disparate extremes.

Senator WIRTH. Thank you, Mr. Stragier.

We are hanging off the edge and now moving on to Wayne Pattison.

## STATEMENT OF WAYNE PATTISON, FOREST ENGINEER

Mr. PATTISON. I am Wayne Pattison, a graduate forest engineer with 12 years experience in the forest management of the Tongass National Forest and another eight years as a small business owner in Sitka, Alaska. I have seen the past effects of congressional meddling in what should be the professional management of our natural resources and I am not impressed.

I wish to express my support for Senator Murkowski's Bill 237 and adamantly oppose any further Tongass Land Reform action such as Senator Wirth's Bill 346.

May I tell you a little personal story to show how irrational some of the information provided by the outside preservationist group is? Last week I was on Alaska Airlines in an aircraft headed to Anchorage and the lady sitting beside me in the window seat gasped as we headed out over the eastern channel and said, "My, God, look at what the chemical disbursements and the oil spill have done to this beautiful bay." She was looking at the herring spawn along the shoreline. I spent the next hour and a half straightening out some serious misconceptions this lady had about Alaska timber harvesting and the oil spill. This lady was from northern California and was a good, solid member of the Sierra Club. She had paid dearly as a member of preservationists groups over the years and had obtained some very poor information about what is going on in Alaska. Every open area she saw was an example of the clearcutting practice on the Tongass National Forest. She was convinced that the oil spill wiped out the ocean beaches environments of the entire state for 100 years.

Please do not let these ill-informed misguided souls stampede you into a decision affecting many lives of the people who work live, and play here.

The U.S. Forest Service——

Senator WIRTH. Thank you, Mr. Pattison.

[The prepared statement of Mr. Pattison follows:]

# TESTIMONY ON TONGASS TIMBER REFORM ACT

by Wayne Pattison

I am Wayne L. Pattison, a graduate Forest Engineer with twelve years experience in the forest management of the Tongass National Forest and another eight years as a small business owner in Sitka, Alaska. I have seen the past effects of Congressional meddling in what should be the professional management of our natural resources and I am not impressed.

I support Senator Murkowski's Bill #237 and adamantly oppose Senator Wirth's Bill #346 because of the following rational. This controversy is not just a debate between prodevelopment and antigrowth forces. For the record the definition of a "Conservationist" is:

> "A person who advocates the conservation and appropriate use of natural resources -- the official care and protection of natural resources from loss, waste, etc."

The definition of an "Environmentalist" is:

> "A person working to solve environmental problems, such as air and water pollution, the exhaustion of natural resources, uncontrolled population growth, etc."

The definition of a "Preservationist" is:

> "A person seeking to preserve or protect and save from normal use an area as a special domain of same person or group of persons."

I am proud to consider myself a "Conservationist" and firmly believe that most U.S. Forest Service professionals would also fit this definition.

We have some good Sitka citizens who qualify as "Environmentalists" and there are even some of our U.S. Forest Service friends who could probably fit this definition. These people have valid and serious concerns and should always be listened to.

Then we have the "Preservationists" who would like to qualify as "environmentalists" because it sounds less threatening to our local citizens. These are a small core of paid individuals - receiving money, legal and moral support from outside the State of Alaska and they in no way have the interests of the common citizens of the State of Alaska on their agenda. The total purpose in proposing Senator Wirth's Tongass Timber Reform Act is to continue the further withdrawal of public lands from multiple use management with the eventual goal of having Southeast Alaska as one big preserve. It will them become a huge National Park that the average American citizen would never have the opportunity to visit or take advantage of.

When I worked for the U.S. Forest Service in the late 1970's I was a member of the forest inventory team. It was through that five-year cycle of inventory that we developed the commercial forest land base and determined that there was not enough economically viable timber base to support a third pulp mill contract as was proposed for the Juneau area. It is good management information such as this derived through professional techniques that allows our National Forest managers to make valid decisions regarding the multiple use management of our public lands -- not emotional, irrelevant and misguided debate in the hallowed halls of Congress. What do we have professional managers in the field for if we are not even going to allow them to complete the congressionally mandated Tongass Land Management planning process before Congress is again inviting itself into the management process. Please allow the real forest management process to follow its natural and informed course.

Sitka's economy is now well-diversified and well-balanced, and we enjoy a style of life that no one can equal anywhere in the United States. The pulp mill is vital to keeping our economy stable and diversified. I have lived in Sitka for fifteen years, and I love this town and my life here. I am very committed to the retention of all these things that I care about.

This takeover of our public lands must not occur. Please consider all the facts and let us keep our stability so that my children and their children will be able to live properously in this beautiful area.

Respectfully submitted,

Wayne L Pattison

Wayne L. Pattison
Post Office Box 1675
Sitka, Alaska 99835
(907) 747-6562

Senator WIRTH. Mr. Longshore.

## STATEMENT OF FRANCES LONGSHORE

Mr. LONGSHORE. Good afternoon members of the subcommittee.

First let me introduce myself. My name is Frances Longshore, a life long resident of Sitka. I am a second generation mill employee and I value my job. I am also a concerned Alaskan constituent who strongly objects to any Congressional legislation that will cause a recession in Alaska's timber industry.

Let me take you back to a time after the transfer of Alaska. There were great hopes that a timber industry could be developed. The Russians left three sawmills, one of which was in operation sporadically for 60 years. By the end of 1870 the mainstay of southeast Alaska's economy was the government payroll, logging was not economically feasible. For the most part, those Alaskans who were not on the government payroll had to depend on seasonal jobs and subsistence living, a situation which continued until the timber industry was developed in the 1950s.

Today, as 30 years ago, the market for timber exists. As I am sure this Senate subcommittee is aware, the timber industry in Alaska came about as a result of government contracts which made investing in Alaska timber feasible. In that respect, nothing has changed. In order for the timber industry to survive, those currently valid contracts must be allowed to continue. Members of this committee, I am a mill worker, I cannot speak for the several thousand people directly employed by the timber industry, I can only speak for myself. Without my job I would have to leave Sitka to seek employment elsewhere. I am an Alaskan. I live here because I choose to and nobody loves this great state and her natural resources more than I.

I feel we can use a small portion of our renewable forests and still have ample wilderness for generations to come. I also believe all of Alaska's resources are vital in maintaining a strong and stable economy for all Alaskans. Moreover, I would not like to see any Alaskan community experience a major economic setback due to congressional politics.

As I said before, I am a mill worker. I realize many people are much more qualified to quote facts and figures than I am. However, it does not take degrees or expertise to see that a compromise between the timber industry and the environmental groups needs to be reached.

Please remember, a compromise is an agreement which all parties can live with. Any legislation that cripples the timber industry will cause severe economic repercussions, not only locally, but nationally as well.

Thank you.

Senator WIRTH. Thank you all very much.

Senator MURKOWSKI. Mr. Chairman, I would just like to note here Mr. Watson, I believe you had some water problems from time to time with your hatchery, I believe and I hope that we can address those adequately for you. I also want to thank you for supporting the Tongass legislation as we submitted it.

Senator WIRTH. Thank you, Senator.

Senator **Murkowski**. I wanted to tell Mr. Elerding that your mother says hello, and I will tell her that you are looking well.

[General laughter.]

Senator **Wirth**. The next group coming up, Mr. Lancaster, Mildred Bernard, Larry Loitz, Pat Sarvela, Francis Furrow, and Eric Wharton. Moving into the on deck line is Tom Srna, James Nylund, Darrel Ranger, Di Walker, Darryl Howard, and William Gee.

The Chair would note that we have about 28 minutes remaining and we have 30 witnesses remaining. The Chair is exercising the usual discretion in an attempt to get everybody in. So, with 30 witnesses and 28 minutes you each have about a minute and we are moving fine. Mr. Lancaster.

## STATEMENT OF DONALD LANCASTER

Mr. **Lancaster**. My name is Don Lancaster. I have been a resident of Sitka for two years and 10 months and I have worked at the pulp mill ever since I have been here. I enjoy living in Sitka and have my home here. If they shut the mill down I will go on welfare, I guess, it is all I can do.

[The prepared statement of Mr. Lancaster follows:]

# TESTIMONY
# of
# DONALD LANCASTER

MY NAME IS DONALD LANCASTER. I HAVE BEEN A RESIDENT OF SITKA, ALASKA FOR TWO YEARS, TEN MONTHS. I HAVE BEEN EMPLOYED AT ALASKA PULP CORPORATION AS A GENERAL MECHANIC FOR THE SAME LENGTH OF TIME. MY WIFE HAS BEEN EMPLOYED AT ALASKA PULP FOR TWO YEARS, SEVEN MONTHS, WORKING IN PRODUCTION.

I HAVE HELPED WITH SEVERAL ACTIVITIES OF A.L.P.E.R.A. (ALASKA PULP CORPORATION EMPLOYEE RECREATIONAL ASSOCIATION). MY WIFE AND I ARE IN THE PROCESS OF BUYING A HOUSE IN SITKA, BECAUSE WE FEEL IT'S HOME FOR US. WE'VE LIVED IN A LOT OF TOWNS IN SEVERAL STATES AND WANT TO SETTLE DOWN AND MAKE SITKA OUR HOME FROM NOW ON. WE BOTH LIKE THE AREA AND THE PEOPLE REAL WELL. I ENJOY THE RECREATIONAL AREA IT HAS TO OFFER, SUCH AS FISHING AND HUNTING. I THINK ALASKA IS A BEAUTIFUL STATE. I DON'T WANT TO LEAVE HERE TO LIVE SOMEWHERE ELSE. IF I WAS TO LOOSE MY JOB I WOULD STAY IN ALASKA AND LOOK FOR OTHER WORK, ALONG WITH 300 OR MORE OTHER PEOPLE. IF I COULDN'T FIND ADEQUATE WORK I WOULD BE FORCED TO GO ON WELFARE.

I FEEL THAT IF THE ENVIRONMENTALISTS WOULD TAKE HALF THE MONEY THEY ARE USING TRYING TO FORCE ALASKA PULP CORPORATION TO CLOSE DOWN AND USE IT TO COME UP WITH A PLAN THAT WOULD ADEQUATELY SATISFY ALL PARTIES THEN EVERYONE WOULD COME OUT AHEAD.

IF CONGRESS WOULD TAKE A LOOK AT WHAT IS GOING ON IN S.E. ALASKA THEY WOULD REALIZE WHAT COULD HAPPEN. THERE WOULD BE A LOT OF

BUSINESSES THAT WOULD HAVE TO CLOSE THEIR DOORS AND OTHER BUSINESSES WOULD HAVE TO DO DRASTIC LAYOFFS. NOT TO MENTION THE HOUSES, AUTOS AND BOATS THE BANKS WOULD HAVE TO REPOSSESS AND NOT BE ABLE TO RESELL THEM. I CAN'T UNDERSTAND HOW THE PEOPLE FROM THE EAST COAST CAN DECIDE ON THE LIVELIHOOD OF THE PEOPLE ON THE WEST COAST.

I DON'T THINK IT IS FAIR FOR CONGRESS TO RENEGE ON IT'S 50 YEAR CONTRACT WITH ALASKA PULP CORPORATION. CONGRESS MADE THIS CONTRACT TO SELL TIMBER TO THE PULP MILLS. APC PAYS THE GOVERNMENT FOR THIS TIMBER. APC THEN IN TURN HAS TO PAY TO THE IRS (WHICH IS ALSO FEDERAL GOVERNMENT) TAXES FOR MONEY IT HAS MADE FROM THE SALE OF OUR PRODUCT MADE FROM THE TIMBER BOUGHT FROM THE FEDERAL GOVERNMENT. NOW WHY WOULD CONGRESS WANT TO DO SOMETHING TO LOOSE THAT MUCH MONEY TO THE GOVERNMENT. BY CLOSING DOWN ALASKA PULP CORPORATION WHAT WOULD THE GOVERNMENT GAIN.

I BELIEVE THAT ALASKA'S SENATORS SHOULD TAKE CARE OF ALASKA'S BUSINESS AND LET WIRTH, MRAZAK AND ALL THE OTHER SENATORS WORRY ABOUT THEIR OWN STATES.

DON'T DEVASTATE S.E. ALASKA._ THE FISHING AND TOURISM DO NOT BRING IN ENOUGH MONEY TO MAKE JOBS FOR ALL THE THOUSANDS OF PEOPLE THAT WOULD BE EFFECTED IF THE MILLS WERE FORCED TO CLOSE DUE TO INADEQUATE TIMBER SUPPLY. I AM HOPEFUL YOU WILL LISTEN TO OUR SENATOR MURKOWSKI AND SUPPORT HIS BILL.

THANK YOU,

DONALD LANCASTER
4006 HALIBUT POINT ROAD(POB 2106)
SITKA, ALASKA

Senator **Wirth**. Ms. Bernard.

### STATEMENT OF MILDRED BERNARD

Ms. **Bernard**. Thank you, Senators, for giving me the opportunity to address the Tongass bills before your committee. My name is Millie Bernard. I moved to Sitka in 1975 and started work for Alaska Pulp in 1979.

You had better believe that I care about my job. I enjoy coming to work. I am the head cook in the mill cafeteria and I serve about 75 hard-working persons every weekday. It makes me feel good to have made a small part of their day enjoyable.

You also better believe that I care about the other 400 mill employees, our loggers in the camps and the hundreds of Sitka residents and businesses that could be hurt by Senate Bill 346. The 50-year contracts must not be cancelled. They are the backbone of our industry. The contracts are the reasons the mills invested millions of dollars in this land in the first place. They were not only contracts with the pulp mills, I feel, but promises with the people of southeast Alaska. Promises should not be broken.

I support Senator Murkowski's Tongass Bill S. 237.

Senator **Wirth**. Thank you.

Mr. Loitz.

### STATEMENT OF LARRY LOITZ

Mr. **Loitz**. My name is Larry Loitz. I am a tour foreman at Alaska Pulp Corporation. We moved to Sitka in the fall of 1959 when a plant closure due to pollution problems shut down the mill in Shelton, Washington, forcing my father to seek other employment out of state.

When I finished high school I went to work at APC in July, 1962. That fall my parents left Sitka and returned to Shelton, Washington. I chose to stay and have been at the mill for the last 26 years and eight months. My wife also has been employed at APC for the past nine years, eight months.

I am a lieutenant in the volunteer fire department and have been a member for several years. APC and the fire department have worked together on training and for years had a mutual aid program.

I own a 24 foot boat; I hunt, fish, camp, and have used the logging roads for riding my snow machines.

I recently purchased a home, and am planning to have it paid for by the time I reach retirement.

I feel if the mill were closed due to Tongass bills, I would lose everything I worked for and be forced to leave my home, as my father did, to seek employment elsewhere.

Therefore, I support Senator Murkowski's Senate Bill 237.

Thank you.

Senator **Wirth**. Thank you, Mr. Loitz.

Pat Sarvela.

## STATEMENT OF PAT SARVELA

Mr. **Sarvela**. I am Pat Sarvela. For 13 years I have been employed at the Alaska Pulp Corporation and have lived in Sitka for 42 years.

I came to Sitka in 1946 after serving in the U.S. Army Nurse Corps during World War II. My husband's family has lived in Sitka for over 70 years and he and I have raised two sons here.

When I first heard of the proposed plan for the mill I was apprehensive of the changes the new industry would bring, but having lived through the changes I can only say from my personal perspective that I enjoy the better standard of living, including medical services, lower property tax, lower utility rates, better shopping, and all the things that come from the improved economic conditions that the mill has helped bring.

Many young Sitka people, lately over 30 per year, are able to continue their college education through the Alaska Pulp Corporation summer hire program.

I hope to financially be able to stay in the community after retirement but if the Wirth bill were passed and the mill was not assured of an adequate supply of logs they would be forced to close. I am sure that would have a drastic effect on the economy of the town. The pulp mill needs a long time guarantee of timber and we need the mill.

Although the idea of a sleepy little fishing village is appealing to some, I would hate to see the economy of the town change so that I cannot afford to spend my retirement years here.

Senator **Wirth**. Mr. Furrow.

## STATEMENT OF FRANCIS J. FURROW

Mr. **Furrow**. My name is Frank Furrow. I work at the pulp mill and have lived in southeast Alaska for a couple of years.

To shorten this, I am going to bypass part of my statement but I do have some things that I would like to say. One of them is I did a study of where the people of southeast Alaska chose to hunt. I observed that most hunters prefer to hunt where there has been logging activity. Of the areas with the highest hunting days there are more than 90 miles of logging roads each. One of them happens to be at Tetlahan after Fish Bay and back around that way and the other one happens to be a unit up in Hoonah. Those areas are highly logged. I think it is clear—we want more access, not more wilderness. Wilderness that you cannot see and experience is like sound to the deaf.

Thank you for your concern.

[The prepared statement of Mr. Furrow follows:]

## Written Testimony of

## Francis J. (Frank) Furrow

This testimony is a compilation of things that concern me. The following page is a copy of my oral testimony which will outline those things included in my written testimony and some of my concerns.

I have included one other article, which I did not mention in my oral testimony, entitled "The Star Key Project," by C.K. Boone.

It is about a study underway in Oregon. I include this, not because it has any particular relevance to the Tongass, but to make you aware of this study, if you aren't already. It may help us make intelligent and informed decisions in the future about forest and wildlife management. I would like to see similar studies done here in Alaska.

## ORAL TESTIMONY OF FRANK FURROW

MY NAME IS FRANK FURROW. I WOULD LIKE TO WELCOME THE DISTINGUISHED MEMBERS OF THE COMMITTEE TO SOUTHEAST ALASKA.

I AM AN EMPLOYEE AT ALASKA PULP CORPORATION, I SUPPORT SENATE BILL 237 AND I WOULD LIKE TO STATE MY CONCERN ABOUT THE LIKELIHOOD OF THE MILL CLOSING DOWN IF THE PENDING LEGISLATION SHOULD PASS. THAT EVENT WOULD HAVE DEVASTATING EFFECTS ON ME, MY FELLOW EMPLOYEES AND SITKA RESIDENTS IN GENERAL. I HAVE INCLUDED IN MY WRITTEN TESTIMONY A COPY OF AN EVALUATION, ENTITLED "THE SOCIOECONOMIC IMPACT OF THE ALASKA PULP CORPORATION" PREPARED BY THE MACDOWELL GROUP. SECONDLY, I HAVE INCLUDED A COPY OF A PAPER ENTITLED "THE IMPACT OF THE LONG TERM CONTRACTS ON THE ECONOMY OF SOUTHEAST ALASKA: 1954-1988" BY GEORGE W. ROGERS, PH.D. PROFESSOR EMERITUS, UNIVERSITY OF ALASKA.

THIRDLY, I HAVE INCLUDED A PAPER ENTITLED "TONGASS-EXPLORING THE MYTHS" BY ROLLO POOL.

FOURTH, I HAVE INCLUDED A STUDY OF MY OWN WHICH DOCUMENTS A FIELD OBSERVATION, THAT MOST HUNTERS PREFER TO HUNT WHERE THERE HAS BEEN LOGGING ACTIVITY.

THIS STUDY, DEVELOPED FROM DATA FURNISHED BY THE U.S. FOREST SERVICE AND THE ALASKA DEPARTMENT OF FISH AND GAME SHOWS THAT MY FIELD OBSERVATIONS ARE CORRECT. OF THE 21 MINOR UNITS THAT HAD 1000 OR MORE HUNTER DAYS OF ACTIVITY ONLY FOUR ARE WILDERNESS UNITS AND THREE OF THEM ARE AT THE NORTH END OF ADMIRALTY ISLAND NEXT TO JUNEAU. THE TOP TWO UNITS WITH NEARLY 4000 HUNTER DAYS EACH, ARE TWO OF THE MORE EXTENSIVELY LOGGED AREAS IN SOUTHEAST

ALASKA HAVING NEARLY 90 MILES OF ROAD EACH. I THINK IT IS CLEAR-- WE WANT MORE ACCESS NOT MORE WILDERNESS. WILDERNESS THAT YOU CAN'T SEE AND EXPERIENCE IS LIKE SOUND TO THE DEAF. THANK YOU FOR YOUR CONCERN AND ENJOY BEAUTIFUL SOUTHEAST ALASKA.

FRANK FURROW
910-26 HPR
SITKA, ALASKA 99835

Senator **Wirth**. Thank you, Mr. Furrow.
Mr. Wharton.

### STATEMENT OF ERIC WHARTON

Mr. **Wharton**. My name is Eric Wharton and I am an employee at the Alaska Pulp Corporation. I have not been an Alaska resident for long. This does not mean that I am not interested in what is going on here in Alaska. I am very interested, especially in this new, S. 346, legislation.

I am in opposition to this new bill for many reasons. I will not give any statistics, nor will my words be elaborate. I want to voice one of my many disagreements, that is the lives that this bill will affect negatively. Let me start with my own.

My wife is due to have a baby any day now and we have plenty of bills to pay. If this bill were passed it would be like pulling the rug out from under me and my family. There are many families just like mine but that are possibly in a worse position than us. Many people have worked for APC for many years and have been building their retirements and futures here; they have dedicated their lives to the company. Some have larger families than myself. Some have taken out loans or own homes in which they depend upon the steady income of their present positions at APC to keep up monthly bills. What will happen to all of the families? To uproot kids in school and destroy literally hundreds of peoples' lives is going to be a very devastating effect on all of Sitka.

We are thankful for Senator Murkowski and his receptiveness to the fact that one of the things this country is based on is stability for the individual. What an upheaval it would cause to pass the Tongass legislation. It is total opposition to what each president has said, and that is more jobs and equal opportunity. I hope I have well represented those that I know wanted to be chosen to speak this day.

Thank you for your time in hearing the concerns of the people of Sitka.

Senator **Wirth**. Thank you.
Mr. Srna.

### STATEMENT OF TOM SRNA

Mr. **Srna**. My name is Tom Srna and I am employed as a millwright at Alaska Pulp Corporation. I have been working there and living in Sitka for a little over two years. I am a single parent raising two small children, ages 10 and 7. Sitka is a good place to raise my kids, the school system is excellent and my kids are involved in many activities and are learning about hunting and fishing and about Alaska's wildlife and history. I have joined the Elks and Moose Lodge and have made some good friends here. If the Wirth bill is passed, then the mill will go down and we will be forced to move like hundreds of other families. People will lose their homes, others will go bankrupt. Most will have to go on unemployment or welfare or will have to move south in hope of finding work.

I will not try to dazzle you with stacks of facts and figures about why you should not close the mills in southeast Alaska. I could not if I tried. I will tell you that you are going to severely affect the lives of a few thousand people in the timber and related industries and their families if Congress passes the Wirth bill.

There is no reason for this to happen. People in other places seem to think that we are out to cut down every tree in Alaska when we are really cutting only a very small percentage of one forest that is bigger than some states.

Why does not Congress find a way to get the true information to the people so they will know what is really going on up here. For that matter, why does not Congress find out the true facts before they vote on southeast Alaskan's livelihoods and futures.

I am really convinced that Senator Wirth and Congressman Mrazak do not have the faintest idea about the amount of timber and land that are truly involved. They also do not seem to know or care about how many lives they will be affecting. They seem to be more worried about how many votes they are going to receive for closing us down. Come on now, Senators, are those votes really worth all the hardship you are attempting to bring down on us?

In my opinion, the Senators should take care of their own states and let our Senators tend to Alaska's business.

Please support our Senator, Senator Murkowski and his bill, Senate Bill 237.

Thank you.

Senator **Wirth**. Thank you.

Mr. Nylund.

## STATEMENT OF JIM NYLUND

Mr. **Nylund**. Gentlemen, I am Jim Nylund and a carpenter millwright for Alaska Pulp Corporation. I am also an artist who works with nature. My paintings, my prints, and my photographs are as real as you could want.

I was raised up in Washington and Oregon. I have seen the effects of large scale logging and of fire in our timberlands. With good management, both will insure timber forever.

With nearly 40 percent of all of southeast Alaska already classified as wilderness, it is just plain simple to see that that is enough. I consider myself an environmentalist. However, the worst thing we can do for our forest is let it grow to overmaturity. Once a tree reaches maturity, it starts to rot from the inside out.

I am 47 now and I have watched the cutover and the burned over lands and the lands that have been replanted. All do better than the old forests. An old forest is just that—old. These old forests are not the best for deer. An example would be the size of the Sitka deer, which is the same blacktail you have in western Washington and Oregon. Open up the timber and the deer will get larger.

When I see and hear of the special interest groups that want more wilderness, it makes me not want to be an environmentalist. Like the term worm watcher, it leaves a bad taste in my mouth.

I support Senate Bill 237 by Senator Murkowski.

Senator **Wirth**. Thank you.

Mr. Ranger.

## STATEMENT OF DARREL RANGER

Mr. **Ranger**. My name is Darrel Ranger and I want to thank you for the opportunity to speak before you.

What I would really like to talk about is the environment. Have the environmentalists really told us the truth? The environmentalists told of the damage to wildlife when the Alaska pipeline was put in. I worked at Prudhoe Bay for three years and had the privilege to see a musk ox scratching his neck on the pipeline. I have enjoyed watching Arctic fox chase and play with one another on and around the oil pipe.

For 12 years I worked in the Longview, Washington area as a field mechanic. I spent considerable time in the Mount St. Helens area. On several occasions I had to stop my truck and wait for deer and elk cross the road in front of me.

Man made logging did not drive the deer or the elk away. Even when Mother Nature logged off Mount St. Helens, and she did a good job of it; the wildlife is now returning to Mount St. Helens. At the Weyerhaeuser plant in Longview, Washington they have developed or grown trees that are better, closer grained, faster growing, 35 to 40 years, compared to natural growth of 60 to 80 years and more resistant to disease.

Trees are America's truly renewable resource and let us not preserve them all because they will eventually die, but let us cultivate and plant more.

Recently, it was stated on television that Congress had voted to spend 14.1 million dollars per month on the contras in Nicaragua. The contras, as I know them, do not pay income taxes, sales taxes, gasoline taxes, Social Security taxes, or unemployment taxes. If the Senators from New York, California, and Colorado can support the contras—why cannot they support the people of southeast Alaska?

Senator **Wirth**. Thank you very much.

[Applause.]

Senator **Wirth**. Ms. Walker.

## STATEMENT OF DIANE WALKER

Mr. **Walker**. My name is Diane Walker. I love Sitka. I enjoy my job and I am very proud to be an employee of the Alaska Pulp Corporation. I have lived here since 1976 and most of those years I have worked in the pulp mill. I have quit APC twice in the past for personal reasons and I have returned because I have not found anything else that will compare to Sitka and APC.

We choose to live here because of the environment, hunting, fishing, clean air, life style and our jobs.

I feel that we have more than an adequate amount of wilderness in this area, in the U.S., for that matter. We as a family enjoy the use of logging roads and wish there were even more to use.

Basically, I feel APC is 25 to 40 percent of Sitka, in terms of revenue, income, people and community based efforts.

If the mill is forced to close it will be very detrimental to my family, as my husband is also employed at APC.

I have very strong feelings about what my country is doing to my employer and my family. I cannot believe my country would default a contract, that is being adhered to by APC, for the sake of a few people who want a wilderness experience a few times a year.

I feel that if the government takes my family's livelihood away they are committing economic genocide. If this occurs, I feel the government should owe not only us but all the communities affected with some form of economic compensation.

I do not support any wilderness or anyone who does. As for the 50-year contract cancellation plan, that is an utterly contemptable idea.

Senator WIRTH. Thank you.

Mr. Gee.

## STATEMENT OF BILL GEE

Mr. GEE. My name is Bill Gee. I am a maintenance foreman for Alaska Pulp Corporation. I have been an Alaskan resident since 1975. I have worked in construction for about 25 years, mostly short term jobs because that is the way construction usually is.

When I came to APC in 1986 due to economic failure in Anchorage, Alaska, I was astounded that there was a permanent year-round job seemingly suited just for me in my field.

This brought me to relocate my family to Sitka in 1987 because the future looked great. My wife quit a $36,000 per year job to be with me in this grand area. I have advanced from carpenter to foreman in this short period of time due to my own perseverance and thanks to APC and their current policies.

I love my job and I try to do it well, I also support Senate Bill 237.

Along with working hard, I enjoy the outdoors with just as much enthusiasm. I have fished and hunted this great state from Kodiak to Valdez and Barrow to Sitka. Never, anywhere, have I seen wildlife and sea life in such great abundance as I have seen here in southeast Alaska. Past management has proven that it works.

Now, I am angry and hurt. Certain people and factions are trying to ruin my family and many other families' futures here in the great land of the Tongass.

The current Wirth legislation seems to be an issue to satisfy an insatiable appetite of preservationists to meet their own desires, giving little or no thought to countless cities, villages, families, and businesses it would totally ruin.

From my life's knowledge of nature, and it has been proven, all things that have been cultivated, whether by God or by man, have come back better, stronger, and more plentiful than with no management at all.

My feelings are, if it isn't broken, do not mess with it.

Senator WIRTH. Thank you, Mr. Gee.

Mr. Kile.

## STATEMENT OF LARRY KILE

Mr. KILE. My name is Larry Kile. I have worked 30 years in the timber industry. I do not support the Senate Bill 346 which concerns the Tongass National Forest. If Senate Bill 346 is put into law, I would be out of work. My line of work as a millwright is all I know how to do. I will have to be retrained in another suitable financial job, with the same pay scale, in order to keep up with my present monthly bills.

I feel the 50-year contract should stay the same for both southeast Alaska pulp mills. I believe a deal is a deal and a contract is a contract. I would think I could rely on Congress for their word, but I guess I may be wrong.

In closing, please support Alaska Senator Murkowski's Senate Bill 237—the sensible way to manage the Tongass and keep valuable jobs.

Thank you.

Senator WIRTH. Mr. Villanueva, Mr. Fike, Mr. Gassman, Mr. Blomberg, would you all please come up and move to the front row. I hope we will see Mr. Alsup, Shelly Beltran, Larry Wright, Napoleon Milla, Yetvart Haciyan, and Terry Kobylus.

Mr. Villanueva.

## STATEMENT OF PETE VILLANEUVA

Mr. VILLANUEVA. My name is Pete Villaneuva. I am the current president of Sitka Filipino community. I am also a member of the Moose Lodge. I have worked for Alaska Pulp for 13 years and have lived in Sitka for 14 years. I became a U.S. citizen in Sitka.

Our Filipino community here in Sitka has 35 to 50 families and about one-third of them work in the mill. We do not know what we would do without our jobs. Our paychecks are important.

Sitka is where I have raised my family. We chose Sitka because it is a better place to live. Here you can go hunting, fishing, and camping all the time. My wife works for the Pioneer's Home. My youngest daughter is in the 6th grade. My oldest daughter is graduating from high school next month and intends to go to college and I want to help support her in college. To help her in college, I will need to keep my job. I am concerned that some of the Tongass Forest bills do not consider the people who work. Some bills want to cancel the contracts and to stop the timber supplies and to make more lands for wilderness.

We would like to see the mills stay open. We do not want the 50-year contracts broken. We already have lots of wilderness.

I support Senate Bill 237 by Senator Murkowski.

Senator WIRTH. Mr. Fike.

## STATEMENT OF ROBERT FIKE

Mr. FIKE. My name is Robert Fike and when I was notified that I was picked by the computer to testify I thought I would not do it but the more I learned about the two bills I thought I should at least come down and put in my two minutes worth.

One of the bills could put me out of business, as I am a millworker, and I have bought a home here in Sitka. I know what it is to lose a home when you owe far more on it than you could ever sell it for, having lived in Anchorage before moving to Sitka. Many families were ruined and I do not want to see the same thing happen here because the government decides to renege on a contract. That in itself rankles me, as I come from a career military family and grew up accepting the word of our government as gospel.

I recently read in one of the Seattle papers that Washington and Oregon export more trees, 5 billion board feet, each year than the mill contracts call for in 10 years, 4.5 billion board feet, throwing thousands out of mill jobs, because there is no added value to exported whole logs. Here in southeast we do not have that situation and that is one reason our economy is the best in the state.

Fishing and tourism can be real "iffy," as we will likely see this year, and the big money fishing has bypassed Sitka entirely. So, I do not see our small boat fishery as picking up the slack if the mill closes.

The tourism people probably know that we 161 locals that bring our friends and families to Sitka for a visit spend a lot more than the tour ship visitors who get off the ship for a few hours and then move on. One big tour ship company is not even going to stop here anymore. So, tourism is not going to pick up the slack either.

The original 50-year contract was made in order to develop the economy of southeast, and I do not see much that has changed in that need. As for those who say the industry is "subsidized," I would ask what industry is not? We can start with the banks and go right down the line to fishing. At least fishing and timber are renewable resources.

Being a millwright I believe in the old saying, "If it ain't broke, don't fix it," and I think that applies here. If the senators insist on tinkering with something, the Murkowski-Stevens bill would do us less harm and I think the Wirth bill would mean ruin for thousands just here in Sitka. The first person that sold their house would be the lucky one.

Senator WIRTH. Thank you, Mr. Fike.

Mr. Gassman.

## STATEMENT OF JOHN W. GASSMAN

Mr. GASSMAN. I am John Gassman.

I do not favor the passage of any of the bills now pending regarding the Tongass National Forest. If one must be passed, I prefer Senator Murkowski's.

As you will notice in my written testimony, I feel that if either the bill introduced by Senator Wirth or the one by Congressman Mrazek passes, I personally believe it will result in the closure of both mills, resulting in disaster to the community and many people would lose their jobs, homes, and dignity.

I have outlined four steps to help maintain people in the community. These items would be expensive but how much more expensive than unemployment benefits, welfare payments, government insured mortgages, forced bankruptcy, and the loss of contributing to the communities. The peoples' cost would be the loss of their dignity and pride in themselves.

These steps must be included in the bill regardless of the cost for the people who have been doing what the government and the Forest Service envisioned over 40 years ago, to provide a stable, year-round industry. We have built our lives, our futures, our savings on the long-term government plan.

Senator WIRTH. Thank you very much, Mr. Gassman.

I will thank all three of you. The next group might move down here, Mr. Bill Alsup, Shelly Beltran, Larry Wright, Napoleon Milla, Yetvart Haciyan, and Terry Kobylus. If we might have the final group over towards the front row, Mr. Stretch Chatham, Russell Zeman, Nancy Eliason, Patricia Bickar, Chuck McGraw, Leo Billings, and Ted Burns.

Mr. Alsup.

## STATEMENT OF WILLIAM ALSUP

Mr. ALSUP. Thank you for the opportunity to voice my opinions in front of this subcommittee. I am strongly in favor of the Murkowski bill which changes Tongass management practices less drastically than the bill our friend from Colorado is supporting.

Currently I am employed at Alaska Lumber and Pulp Company and would hate to lose my job due to a breach of contract by Congress. A breach of contract would cause more hassles and embarrassment for Congress than fulfilling the pulp contracts which they laid on the table to be sold. Lawsuits by employees being put out of work could total to more than one billion dollars and could hurt the economic standings of southeast Alaska, pushing people south or north in search of employment.

I have lived in Alaska my entire life and am a sixth generation timberman. I have seen the regrowth of forests. The timber in those areas is just as healthy and abundant as the timber around it.

My father works in the same department as I do. I also have two brothers working in the pulp mills. What will become of their jobs? Will you guarantee jobs in Alaska for them?

I am recently married and have a son that is nine months old. I have house payments and support my wife through college. What will become of her career which she is pursuing? Will you guarantee her an education? Will you guarantee my education so that I can relocate and support my family?

I would like to let you know that I will be in line with thousands of men to sue the U.S. Congress if the timber is taken from us. Thank you very much Senator Murkowski and members of the subcommittee.

Senator WIRTH. Thank you, Bill.

Ms. Beltran.

## STATEMENT OF MICHELLE BELTRAN

Ms. BELTRAN. My name is Michelle Beltran. I was born in Petersburg and have lived in Sitka for four years. My husband works in the power house at Alaska Pulp Corporation.

My husband, my son, Anthony, and I depend on the check my husband brings home from the mill. We do not know what we would do without it.

I support Senator Murkowski's bill, Senate Bill 237.

I enjoy Sitka and do not want to see the mills close.

Senator WIRTH. Thank you very much, Michelle.

Mr. Wright.

## STATEMENT OF LARRY WRIGHT

Mr. **Wright**. I am Larry Wright. I am a lifetime Alaskan resident with the majority of time in southeast Alaska. I returned to Sitka about two and a half years ago when I was hired by Alaska Pulp Corporation.

I wanted to return because I enjoyed fishing and activities of this area and did so with the knowledge of APC's 50-year contract and the steady employment it guaranteed.

Since then I have acquired a commercial fishing vessel and permit. For many years I have viewed the logging industry and its effects on the fisheries and I can say that the industry has done all it is aware of to improve fisheries and environmental quality.

I support Senator Murkowski's bill because it will allow the area's economy to remain stable, as well as the lifestyle I enjoy.

I recently read an article from an environmental group complaining about these hearings being at a time inconvenient to them. I want to inform you that they are very inconvenient to me and the other APC workers as we are now in the process of restarting our mill after our annual maintenance shutdown.

Thank you.

Senator **Wirth**. Thank you very much, Mr. Wright.

Mr. Milla.

## STATEMENT OF NAPOLEON MILLA

Mr. **Milla**. Members of the committee and ladies and gentlemen, I thank you for allowing me to speak before you this afternoon.

The lifeblood of the pulp mills in Alaska is in the continuous existence of wood to be manufactured into pulp. Any legislation that denies these mills such harvest of timber for their raw material seriously threatens that industry as well as the livelihood of all its employees.

If I lost my job at the mill I would be totally devastated, as well as would my family. I have a wife and three kids to feed, clothe, shelter, and educate. Bills, rents, fees, taxes and obligations come with each passing month with unbroken regularity. In the face of this, I entirely depend on my paycheck to defray all this cost of keeping my family and myself alive. Loss of livelihood at my age of 50 will impose untold hardships and uncertain future for me and my family.

The APC has been very generous to us, giving me a well paying job, regular bonuses, health, medical and retirement benefits, and through enlightened management has provided a safe and satisfying work environment.

Should Congress legislate a restrictive Tongass reform, it would adversely affect the ability of APC to provide the salaries and benefits it has thus far been able to extend to us. It would also threaten the viability of its operations and jeopardize its millions of investments in Alaska's timber industry. Then the good life that we know now will come to pass into just treasured memories of yesterday. Every day after that will always be an uphill struggle to keep body and soul together. After the last savings are gone, with deep regrets, soon we have to depart from Alaska. This scenario will be multiplied many times over, culminating in one great exodus out of Alaska.

In this regard, I appeal to the conscience of all members of Congress in both houses to incorporate in the Tongass Reform Act the following:

Provide for a mechanism of compensation for all mill employees that will be displaced or laid off because of such legislation, a compensation package lasting for five years to enable the employees to readjust their lives, relocate, and survive through after the closure of the mills; provide for funds for the vocational retraining and career change for such displaced mill employees; and compensate the mills for the invested millions they stand to lose resulting from the unilateral abrogation of their contract with the U.S. Bureau of Forestry for a guaranteed harvest of timber for a period of 50 years. I thank you.

Senator **Wirth**. Thank you, Mr. Milla.

Mr. Haciyan.

## STATEMENT OF YETVART HACIYAN

Mr. **Haciyan**. Mr. Chairman, Senators, members of the subcommittee. My name is Yetvart Haciyan. I live and work in Sitka. For the past two and a half years I have been employed by Alaska Pulp Corporation as a lab technician.

I am glad to have the opportunity to testify today. I support Senate Bill 237, sponsored by our Alaskan Senator Frank Murkowski. I feel strongly the other Tongass bill before your committee would have a devastating impact on our company and would eventually result in the loss of my job, along with the other 400 workers at the mill.

I enjoy working for Alaska Pulp Corporation, I enjoy hunting and fishing in the area and hope to be able to make payments on the new boat I just bought until it is paid for and to be able to hunt and fish here for a long time.

Thank you.

Senator **Wirth**. Thank you, Mr. Haciyan.

Mr. Kobylus.

## STATEMENT OF TERRY KOBYLUS

Mr. **Kobylus**. My name is Terry Kobylus. I am a native Alaskan and I was raised in Juneau, Alaska. I work and spend 90 percent of my time in Hawk Inlet on Admiralty Island. My family has hunted, fished, camped, and enjoyed recreation in the Tongass for four generations. My grandfather worked in the timber industry during the war and then in the mining industry in Juneau, which was that town's economic backbone before government.

The Tongass National Forest has always been our home and our work place.

I live in one of the many communities surrounded by the Tongass National Forest. It does not take an expert to realize the dependency of these communities upon the forest resources. These resource industries, such as timber, mining, fishing, and tourism contribute to the schools, roads, transportation systems, airports, boat harbors, as well as local municipalities. By purposefully jerking the rug out of any one of these resource industries is like pulling the plug on any one of our southeast communities.

As an Alaskan and a citizen of the United States, I find it quite unsettling how such an important decision can be made by people 3,000 miles away from the Tongass National Forest. People whose primary concern should be with their own states are making bill proposals and consequently are making decisions, people who have never seen this state or perhaps have only made a short pleasure visit. People such as you, Senator Wirth, or Congressman Mrazek. You are making a decision for me about my destiny and the destiny of the people of the Tongass. For this reason I have gathered my courage to come before you and speak of the things that are so important to me.

Senator WIRTH. Thank you, Mr. Kobylus.

[The prepared statement of Mr. Kobylus follows:]

TERRY

## TESTIMONY OF ~~TERI~~ KOBYLUS
## BEFORE SENATE SUBCOMMITTEE
## OF TONGASS REFORM LEGISLATION

MY NAME IS TERI KOBYLUS. I AM NATIVE ALASKAN AND I WAS RAISED IN JUNEAU, ALASKA. I WORK AND SPEND 90% OF MY TIME IN HAWK INLET ON ADMIRALTY ISLAND. MY FAMILY HAS HUNTED, FISHED, CAMPED AND ENJOYED RECREATING IN THE TONGASS FOR 4 GENERATIONS. MY GRANDFATHER WORKED IN THE TIMBER INDUSTRY DURING THE WAR AND THEN IN THE MINING INDUSTRY IN JUNEAU, WHICH WAS THAT TOWN'S ECONOMIC BACKBONE BEFORE GOVERNMENT. THE TONGASS NATIONAL FOREST HAS ALWAYS BEEN OUR HOME AND OUR WORKPLACE. I WENT TO HIGHSCHOOL IN JUNEAU AND THEN ON TO COLLEGE IN ANCHORAGE. MY FAMILY AND I HAVE LIVED OUR WHOLE LIVES IN ALASKA AND PLAN TO CONTINUE TO MAKE THIS STATE OUR HOME.

I LIVE IN ONE OF THE MANY COMMUNITIES SURROUNDED BY THE TONGASS NATIONAL FOREST. IT DOES NOT TAKE AN EXPERT TO REALIZE THE DEPENDENCY OF THESE COMMUNITIES UPON THE FOREST RESOURCES. THESE RESOURCE INDUSTRIES SUCH AS TIMBER, MINING, FISHING, AND TOURISM CONTRIBUTE TO THE SCHOOLS, ROADS, TRANSPORTATION SYSTEMS, AIRPORTS, BOAT HARBORS, ~~DOCKS~~, AS WELL AS LOCAL MUNICIPALITIES. BY PURPOSFULLY JERKING THE RUG OUT OF ANY ONE OF THESE RESOURCE INDUSTRIES IS LIKE PULLING THE PLUG ON ANY ONE OF OUR SOUTHEAST COMMUNITIES.

AS AN ALASKAN AND A CITIZEN OF THE UNITED STATES, I ~~DON'T UNDERSTAND~~ FIND IT QUITE UNSETTLING HOW SUCH A IMPORTANT DECISION CAN BE MADE BY PEOPLE 3,000 MILES AWAY FROM THE TONGASS NATIONAL FOREST. PEOPLE WHOSE PRIMARY CONCERN SHOULD BE WITH THEIR OWN STATES, ARE MAKING BILL PROPOSALS AND CONSEQUENTLY ARE MAKING DECISIONS, WHO HAVE NEVER SEEN THIS STATE OR PERHAPS HAVE ONLY MADE A SHORT PLEASURE VISIT. PEOPLE SUCH AS YOU SENATOR WIRTH OR CONGRESSMAN MRAZEK. YOU ARE MAKING A DECISION FOR ME ABOUT MY DESTINY AND THE DESTINY OF THE PEOPLE OF THE TONGASS. FOR THIS REASON I HAVE GATHERED MY COURAGE TO COME BEFORE YOU AND SPEAK OF THE THINGS THAT ARE SO IMPORTANT TO ME.

SENATOR WIRTH'S BILL S346 ADDS 23 MORE AREAS TO THE 5.4 MILLION ACRES ALREADY ESTABLISHED AS WILDERNESS. TO THIS I AM OPPOSED. ALREADY TO MANY VALUABLE RESOURCES HAVE BEEN LOCKED UP. THIS HAS DRASTICALLY REDUCED THE MULTIPLE USES OF THE LAND IN THE TONGASS. ADDITIONAL LAND ALLOCATIONS SHOULD NOT BE MADE BEFORE THE FOREST SERVICE TONGASS LAND MANAGEMENT PLAN REVIEW IS DONE. AT LEAST WAIT AND SEE WHAT THE FOREST SERVICE PROPOSALS ARE, WITHOUT TRYING TO INFLUENCE THOSE PROPOSALS BY LEGISLATION BEFORE THEY ARE MADE.

SENATOR WIRTH WANTS TO ELIMINATE A GUARANTEED 4.5 BILLION BOARD FEET TIMBER HARVEST PER DECADE. I AM OPPOSED TO THIS. EVEN I CAN UNDERSTAND THAT THE TIMBER INDUSTRY NEEDS AS ASSURED ALLOWABLE SALE QUANTITY. TONGASS LEGISLATION AND THE FOREST SERVICE SHOULD CONTINUE TO RETAIN A SUFFICIENT COMMERCIAL [redacted] TIMBER BASE TO MAKE AVAILABLE AN ALLOWABLE SALE QUANTITY OF 4.5 BILLION BOARD FEET PER DECADE TO MEET THE TIMBER INDUSTRY NEEDS BASED UPON MARKET DEMAND, INDUSTRY CAPACITY AND ECONOMICS.

SENATOR WIRTH'S BILL WOULD ELIMINATE THE LONG TERM CONTRACTS. TO THIS I AM OPPOSED. LONG TERM CONTRACTS WERE CREATED BETWEEN CONGRESS AND THE TWO PULP COMPANIES. THESE CONTRACTS SHOULD BE HONORED. THEY TRUSTED CONGRESS TO UPHOLD THESE CONTRACTS AND THEY BUILT THEIR PULPMILLS HERE, BECAUSE OF THESE CONTRACTS. IT IS NOT RIGHT TO RENIG ON A DEAL THAT WAS MADE IN GOOD FAITH. IT ~~WAS~~ IS WHAT MOST PEOPLE WOULD CALL BAD BUSINESS. YOUR NOT JUST TALKING ABOUT CONTRACTS WITH THE MILLS, YOUR TALKING ABOUT WHOLE COMMUNITIES. YOUR TALKING ABOUT PEOPLE. YOUR TALKING ABOUT ME.

I HOPE YOU WILL SERIOUSLY CONSIDER BY COMMENTS. I NEVER THOUGHT I WOULD HAVE TO MAKE SUCH AN EFFORT TO PROTECT MY WAY OF LIFE. CONTRARY TO POPULAR BELIEF THE TONGASS NATIONAL FOREST IS A GREAT AND THRIVING FOREST. JUST LOOK AT IT!!! THERE IS SUCH AN ABUNDANCE OF FOREST HERE, THAT IT SEEM RIDICULOUS WE ARE EVEN CONSIDERING REMOVING MORE OF IT FROM PRODUCTIVE USE. TO BELIEVE THAT ALL THE TREES ARE BEING CUT DOWN, THAT THE LAND IS BEING RAZED OVER, THAT THE TONGASS CONTRIBUTES TO THE GREENHOUSE EFFECT, THAT THE WILDLIFE IS SUFFERING, THAT THE PEOPLE WHO LIVE HERE CARE NOTHING FOR THEIR ENVIRONMENT IS LIKE ALASKAN THINKING THAT ~~EVERYONE IN WASHINGTON D.C.~~ ALL NEW YORKERS ARE EITHER DRUG ABUSERS, MUGGLERS AND OR SUBWAY VIGILANTE. ~~IS EITHER A DRUG USER AND OR A MURDER~~ER.

THANK YOU

Senator **Wirth**. Thank you all of you. We appreciate that you were here.

The final group, Stretch Chatham, Russell Zeman, Nancy Eliason, Patricia Bickar, Chuck McGraw, and Ted Larsen.

Mr. **Chatham**. [No response.]

Mr. Zeman.

## STATEMENT OF RUSSELL ZEMAN

Mr. **Zeman**. My name is Russell Zeman. I am the president of a little logging company down in a place called Smith Cove, northwest of Ketchikan. We have grown to approximately 70 people and have 12 students in our little school which supports two school teachers.

Our business is directly dependent on timber. Timber is our only renewable resource. I have been in this business for about 26 years, the business of harvesting trees. I also like to hunt and fish.

Like most of the loggers I know, we are not out there to destroy the land. We go to a lot of trouble and a lot of expense to comply with forest practices, which I have seen come a long way in the last decade.

My view as a logger is let us get some wood without destroying the land in doing it. We have to live here too.

Thank you and, Senator Murkowski, I support your bill.

Senator **Wirth**. Thank you very much, Mr. Zeman.

Ms. Eliason.

## STATEMENT OF NANCY ELIASON

Ms. **Eliason**. Thank you for the opportunity to give oral testimony on Senate Bill 346.

I am opposed to it and I support Senator Murkowski's bill, S.237.

I am a retired public health nurse and, as such, I care about people, specifically my friends and neighbors who live and work in southeast Alaska, right in the midst of the Tongass National Forest.

The mills will be forced to close without a continued supply of their raw material, putting people out of work. Because of our geographical location, it is not possible to find jobs in nearby towns. People will have to move, but will be unable to sell their houses in a depressed market. It also means pulling up stakes from the places we have come to think of as home. For myself, on a fixed income, I see a real budget crunch as prices rise because of less volume and decreased demand.

More important than the economic hardship that APC's closure would have on Sitka, I am concerned with the immorality of my government cancelling a contract that was entered into in good faith. Essentially, my government is considering going back on its word. I firmly believe that a government's word should be sacred. Because of my recent retirement I have been bombarded with advice about how to safely manage my money. The bottom line is always, "U.S. Treasury bonds are the safest place to put money for they are backed by the United States government." How can I trust my government in one area if it breaks contracts in another?

And it is all so unnecessary. There is a lot of misinformation being spread in the national media about the Tongass. Contrary to what some would have you believe, the logging practices of today do not resemble those of the turn of the century. We Americans have learned from the past. Our colleges and universities teach forest management, including ways to provide a sustained yield with the recognition that trees do grow back. The Forest Service maintains a multiple use policy which requires public input in order to define areas of value, whether for timber harvest, fish, game, recreation, wilderness, et cetera. These professionals in the Forest Service are empowered to enforce a myriad of rules and regulations and they do. If both industry and preservationists complain about the Forest Service, can it be all bad? No. The Tongass is not being raped and ruined.

To summarize, I favor Senator Murkowski's bill because I feel it is immoral for my government to go back on its word, especially when it is so totally unnecessary.

I have attached a fable, "God is Not Dead, He is Alive and Healthy in the Tongass." [1] I hope you will enjoy it.

Senator WIRTH. Thank you, Ms. Eliason.

Ms. Bickar.

## STATEMENT OF PATRICIA BICKAR

Ms. BICKAR. I am Patricia Bickar. I came to Sitka in 1960 with my husband, Oliver, or better known as Porky, and our two children. At that time he was a busheler, or faller, for Barton & Reynvaan Logging, based in Katlian Bay. In 1964 the operation in Katlian was completed and rather than return to Washington we decided to stay in Sitka. We had established our home here, our two older children were in school, we had a new baby, and friends had been made. We had learned to love Sitka and we did not want to leave. So, Oliver then started his own business, Porky's Equipment, and we have operated it for the last 25 years.

Because we have made this our home we are very interested in the future of Sitka. I was a teacher here for 20 years until I retired two years ago. Our children went through school here. We feel that the quality of education here has been excellent. Our oldest went on to get his doctorate in biochemistry and teaches and does research in the east. However, he still has ties here as he owns two duplexes which are rented out. He invested in the property while still in high school. Our daughter works at APC in the lab and owns a duplex, living in one half and renting out the other. Our youngest son built his house here and has gone into business with his dad. In addition to the business we own several rentals. Four of the rentals are occupied by local business, an auto parts store, a restaurant, a liquor store, and a building contractor. Six units are apartments.

As you can see, our future here depends on the economy of Sitka. Porky and I are semi-retired and our income is mainly dependent on the rentals. Our daughter's job at APC directly depends on the future of the mill. Our youngest son's opportunities for work in the family business depend on a thriving community.

---

[1] Retained in subcommittee files.

If APC is forced to close its mill, or even curtail its productivity, we are going to lose people. Every member of our family will be directly affected. Porky's Equipment will have fewer people to need our services, our rentals will be less in demand, our incomes will go down and our expenses will go up. Taxes and electrical rates are just two examples of expenses that will jump if we do not have the mill here in Sitka.

[The prepared statement Ms. Bickar follows:]

I am Patricia Bickar. I came to Sitka in 1960 with my husband, Oliver, or better known as Porky, and our two children. At that time he was a busheler, or faller, for Barton & Reynvaan Logging, based in Katlian Bay. In 1964 the operation in Katlian was completed and rather than return to Washington, we decided to stay in Sitka. We had established our home here, our two older children were in school, we had a new baby, and friends had been made. We had learned to love Sitka and we didn't want to leave so Oliver then started his own business, Porky's Equipment, and we have operated it for the last 25 years.

Because we have made this our home we are very interested in the future of Sitka. I was a teacher here for twenty years until I retired two years ago. Our children went through school here. We feel that the quality of education here has been excellent. Our oldest went on to get his doctorate in biochemistry and teaches and does research in the east. However, he still has ties here as he owns two duplexes which are rented out. He invested in the property while still in high school. Our daughter works at APC in the lab and owns a duplex, living in one of the units and renting out the other. Our youngest son built his house here and has gone into business with his dad. In addition to the business we own several rentals. Four of the rentals are occupied by local business, an auto parts store, a restaurant, a liquor store, and a building contractor. Six units are apartments.

As you can see our future here depends on the economy of Sitka. Porky and I are semi-retired and our income is mainly dependent on the rentals. Our daughter's job at APC directly depends on the future of the mill. Our youngest son' opportunities for work in the family business depends on a thriving community.

If APC is forced to close its mill, or even curtail its productivity, we are going to lose people. Every member of our family will be directly effected. Porky's Equipment will have fewer people to need our services, our rentals will be less in demand. Our incomes will go down and our expenses will go up. Taxes and electrical rates are just two examples of expenses that will jump if we don't have the mill here in Sitka.

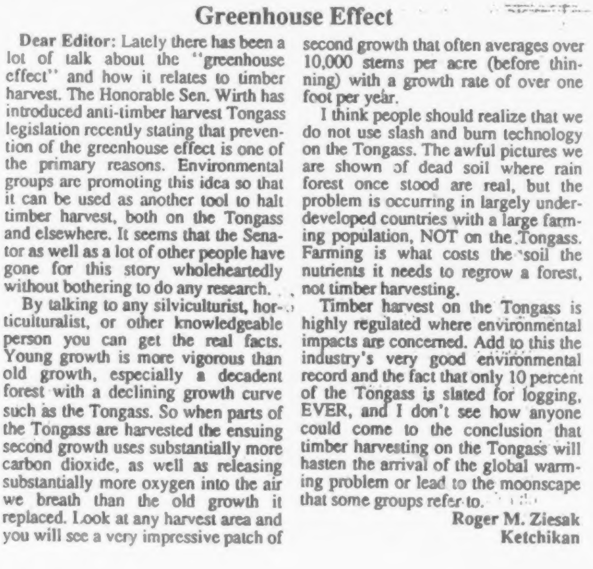
The economy effects everyone indirectly also. Our schools, which have been excellent, will have trouble financing the programs which we have come to expect. Fewer students will mean less funding from the state. New buildings have been constructed to handle our current student population, we do not want to see them half filled and half paid for.

Twenty five years ago we gambled our existence on the economy of Sitka when we decided to stay here. We had fallen in love with the beauty, the friendliness and the opportunity Sitka afforded us. We staked everything in starting a business here. We have never been sorry. Our children all have a stake in the future of Sitka and time will tell if our grandchildren want to continue their life here. We have no desire to live anywhere else but do give us the opportunity to have that future in Sitka by the Sea. I do strongly urge you to support Senator Murkowski's Senate bill 237.

P.S. I hope you stay in Sitka long enough to look around our beautiful city. From our house, which is near the base of Gavin Hill, I look out my dining room window at Harbor Mountain, right now snow topped. From my bedroom windows I see the Sisters, Arrowhead and Verstovia mountains, and from the front of the house we see Mt. Edgecumbe out on the water. Where else in the world could one be placed in the center of such panorama?

But as I look at Gavin Hill, which was logged many years ago by the Russians, I see signs of death. Scattered throughout the living trees are many dying, or dead, snags. Trees are living, breathing objects. They have a life span just like people, a bit longer but they cannot live forever. Once they die they are of no use to anyone. They are not good timber for logging--yes, they could be used for firewood but single trees are usually inaccessible to the firewood cutter, so they stand as dead snags until rot allows them to fall over.

In contrast, take a trip out to Katlian Bay. This was logged over a few years ago. Many were counting on the miles of logging roads built for that operation to give them access to hunting, fishing, or hiking thru the Katlian Valley. I have not been out there for several years but I am told that not only have the trees grown up in the logging area, which is obvious from the water, but the roads are gone. In many places the trees have already grown so that you can not even recognize where the roads used to be. These are living, breathing trees, using up carbon dioxide and releasing oxygen at a much faster rate than old trees and certainly more than the snags.
I am enclosing a copy of a letter that was in our local paper by someone that can explain it better than I. No, I am not advocating that we go right out and log Gavin Hill but sensible use of the forest is certainly important.



## Greenhouse Effect

**Dear Editor:** Lately there has been a lot of talk about the "greenhouse effect" and how it relates to timber harvest. The Honorable Sen. Wirth has introduced anti-timber harvest Tongass legislation recently stating that prevention of the greenhouse effect is one of the primary reasons. Environmental groups are promoting this idea so that it can be used as another tool to halt timber harvest, both on the Tongass and elsewhere. It seems that the Senator as well as a lot of other people have gone for this story wholeheartedly without bothering to do any research.

By talking to any silviculturist, horticulturalist, or other knowledgeable person you can get the real facts. Young growth is more vigorous than old growth, especially a decadent forest with a declining growth curve such as the Tongass. So when parts of the Tongass are harvested the ensuing second growth uses substantially more carbon dioxide, as well as releasing substantially more oxygen into the air we breath than the old growth it replaced. Look at any harvest area and you will see a very impressive patch of second growth that often averages over 10,000 stems per acre (before thinning) with a growth rate of over one foot per year.

I think people should realize that we do not use slash and burn technology on the Tongass. The awful pictures we are shown of dead soil where rain forest once stood are real, but the problem is occurring in largely underdeveloped countries with a large farming population, NOT on the Tongass. Farming is what costs the soil the nutrients it needs to regrow a forest, not timber harvesting.

Timber harvest on the Tongass is highly regulated where environmental impacts are concerned. Add to this the industry's very good environmental record and the fact that only 10 percent of the Tongass is slated for logging, EVER, and I don't see how anyone could come to the conclusion that timber harvesting on the Tongass will hasten the arrival of the global warming problem or lead to the moonscape that some groups refer to.

Roger M. Ziesak
Ketchikan

Senator **Wirth**. Thank you very much, Mrs. Bickar.

Mr. Larsen.

### STATEMENT OF TED LARSEN

Mr. **Larsen**. I am Ted Larsen, owner of Computer Systems. I have lived in Sitka for over 21 years and have been involved in the timber industry for the first 15 years in various positions. I have spent the best part of my life right here in Sitka and I own my home, car, and boat.

If the economy of Sitka is lowered by any drastic measure, such as the passing of the Wirth bill, S. 346, it would reduce my life savings and leave me to be on the welfare rolls along with a lot of people who have purchased or built a home here with the idea that all major businesses would be around for a significant amount of time. I do not want to retire yet as I cannot afford to and I am sure not ready to quit my lifestyle because some senators from other states think they know more about Alaska than the majority of the people who live here.

Senator Wirth, you have already been told by the majority of the people at these hearings that your bill is not viable for the Tongass National Forest, for the industries that use it, and mostly for the people who have been depending on it for a livelihood.

Over 40 percent of my business has been directly with mill workers and people in the logging industry and if I lose that business I would have to shut my doors.

Senator Murkowski, your bill, S. 237, is not the best solution for the timber industry but at least they can live with it. It shows that the timber industry is willing to give up some things so they can continue to provide jobs for the people of southeast Alaska.

Thanks for the opportunity to speak and I hope my words have not gone on deaf ears.

Senator **Wirth**. Thank you, Mr. Larsen.

Mr. Billings.

### STATEMENT OF LEO BILLINGS

Mr. **Billings**. Yes, Mr. Chairman and members of the committee, I would like to take this time to thank you for the opportunity to testify here today.

I am Leo Billings. I am an owner and managing partner in a logging firm in Ketchikan, Alaska. I have been in the logging business in southeast Alaska for 35 years.

Presently my company is logging and road building up on Revillagigido Island. We employ 90 people directly and 60 indirectly, subcontracting. Our payroll and the subcontractors cost up to well over $6 million annually.

We are an independent logger and we are working on native land. However, this supply is limited and we are moving towards the federal lands for our operations.

The mill is vital to our industry as it is a market for the low grade timber. To make our operations economically viable we must log all of the logs available, low and high grade wood. Cancelling the remaining 15 years on the long term contract will not help but, rather, will hurt our economy.

Like any good business we must be able to project and prepare for the future. My local business, my logging operation, as well as Ketchikan Pulp, has based our future on the promise of this timber. Without it Ketchikan is at stake, pulp is at stake, and without them our future is at stake.

Senator WIRTH. Thank you very much, Mr. Billings.

Mr. Burns.

### STATEMENT OF TED BURNS

Mr. BURNS. Thank you for this opportunity. I am Ted Burns and a partner in a private industry in southeast Alaska and my communication products serves the logging industry. Everything is supported in some manner by the timber industry in southeast Alaska as well as everyone in Alaska is affected by the timber industry in some form.

I do support our Alaskan senators in Washington, D.C. They represent Alaska and the only voice in Washington, D.C. that are qualified to speak for Alaska and Alaskans on issues of state, national, and natural resources.

I was reminded this morning of the beautiful garden that survived and flourished with cultivation and pruning. I do know you cannot make a cake simply by reading a cook book or a garden by reading a magazine, nor can natural resources be managed by words. It takes work.

I do appreciate your interest in preserving the natural resources. However, as you said, Senator Wirth, Americans are awakened to their natural resources. Most Americans are surprised that Alaska is a state. Alaskans are Americans too and we have not been asleep all of this time.

Senator WIRTH. Thank you very much, Mr. Burns.

That brings the hearing to a close.

Senator Murkowski, everyone wants to thank you again for your hospitality and that of all Alaskans. We thank the residents of Sitka.

I thank all of the witnesses for both their patience and their understanding. We have scheduled an enormously productive hearing and I think the best of the hearings on this issue came from Alaska and I think is by far the best they ever had.

Senator MURKOWSKI. I would like to congratulate you on the manner in which you conducted this hearing. There were some difficult conditions, but we heard over 100 witnesses here. We certainly thank the professional staff and my colleague from Montana, Senator Burns, and I want to conclude my part by saying that we respect your views and, hopefully, a compromise can be achieved. I am committed to represent those of you who want to maintain the lifestyle you have become accustomed to, and the reason you live here. I realize that that in and of itself is a contradiction but that is the way the process has to work. I am pleased to work with you and my good friend over here.

Senator WIRTH. Thank you very much, Frank, and I want to also add a word of thanks to the court reporter, who has done such a thorough, complete, and exhausting job. We thank you all for coming.

[Whereupon, at 5:10 p.m. the hearing was adjourned.]

[Due to the voluminous nature of the materials submitted, additional documents and statements have been retained in subcommittee files.]

○

22-148 (644)